Alberta Infrastructure

Annual Report

2003-2004

Alberta

105-02406/

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Preface

Public Accounts 2003-2004

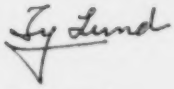
The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta released June 29, 2004 contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Infrastructure contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

Minister's Accountability Statement

The Ministry's Annual Report for the year ended March 31, 2004, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 10, 2004, with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.



Ty Lund
Minister of Infrastructure

Message from the Minister

As I reflect on the strategic priorities Alberta Infrastructure laid out in its 2003-06 Business Plan, I am very proud of how successfully the Ministry has met considerable challenges and made the most of available opportunities.

Three of our strategic priorities centred around implementing the government's Capital Plan to ensure that taxpayer investment in infrastructure was preserved. We also made the best effort possible to balance preservation and growth needs across the province.

As part of the Capital Plan unveiled in Budget 2003, the modernization, preservation and construction of new schools, health care facilities, research facilities, post-secondary institutions and Centennial projects are proceeding.

To enhance Alberta's research capabilities and support economic development, Alberta Infrastructure announced total provincial funding of $220 million for the construction of Health Research Innovation Centres at the Universities of Alberta and Calgary. These new state-of-the-art facilities will enhance Alberta's medical research capabilities in areas such as diabetes research and will attract top research professionals.

The Capital Plan also allows us to take advantage of opportunities such as public-private partnerships (P3s). Where there is a substantiated benefit to Albertans, public-private partnerships have been considered in the provision of new facilities. To enhance communication with stakeholders and industry, as well as provide information on Alberta Infrastructure's approach to assessing public-private partnerships for building infrastructure projects, a P3 Guidance Document was created and is now available on Alberta Infrastructure's website.

This past year the Health Sustainability Initiative Fund was announced as part of the new Capital Plan and will provide $59 million to health authorities in the province over a three-year term. This funding will help ensure the best use of existing facilities by supporting health facility conversions from acute care to long-term care or designated assisted living, new service delivery models, mental health services integration and the realignment of regional services.

Ensuring the health and safety of visitors and staff accessing government owned and supported facilities was also one of our strategic priorities for this reporting period. In this regard, numerous initiatives were undertaken such as enhancing our focus on security measures, emergency and business resumption planning, and updating indoor air quality guidelines.

In recognition of Alberta Infrastructure's and the Alberta Research Council's combined efforts to address environmental issues faced by facilities, the Building Owners and Managers Association (BOMA) presented their Canada Earth Award for 2003 to the team. The Earth Award is the Association's recognition of excellence in resource preservation and environmentally sound commercial building management. This is the first time a government building has won an award at the national level. As well, in support of sustainable facilities, the Ministry introduced the Leadership in Energy and Environmental Design (LEED) rating system to school boards and health regions.

Our fifth strategic priority was to improve timeliness and access to services offered by the Ministry. New contracting and consultant selection policies were developed, and work is underway on a vendor registry that will allow contractors to post their firms' credentials on the Ministry's website.

The Government of Alberta Natural Gas Rebate Program was established to help Albertans when gas prices and consumption needs are high. In concert with Alberta Justice, Alberta Energy, Alberta Agriculture, Food and Rural Development, and 110 gas suppliers across the province, Alberta Infrastructure administered the Natural Gas Rebate Program on behalf of government, providing $214.4 million in rebates to Albertans in 2003-04.

Looking To The Future

Alberta Infrastructure will continue to be one of the lead Ministries in guiding government's Capital Planning Initiative. This initiative brings together Ministries involved in the provision of capital projects such as schools, post-secondary institutions, hospitals, roads, bridges and water/wastewater projects to assess priorities and develop the overall capital plan for government. An annual review of the plan ensures alignment with government's short and long-term goals, and value for investment when alternative financing options are considered.

Recommendations from the Minister's Symposium on Schools, *Learning Facilities for Tomorrow's Communities* will help address the continuing challenge of providing Alberta students with the best possible facilities now and in the future. Sustainability will be enhanced through the use of building methods and materials that preserve the quality of the environment and promote economic viability and social benefit through the design, construction, operation and maintenance of the facility. Implementation of the many recommendations will continue over the next few years and will include supporting multi-use facilities, public-private and public-public partnerships, and further review of functionality and utilization of school facilities.

We will also continue our efforts to reduce the environmental impacts of our operations. Effective January 1, 2005, 90 per cent of the electrical energy used in government-owned facilities will come from green power sources. Green power is electrical energy derived from sources other than fossil fuels. Two private sector power producers will provide the required energy, with a portion coming from a new wind farm at McBride Lake near Pincher Creek and the remaining through biomass combustion at a new facility in Grande Prairie. These two green power contracts represent the most significant commitment for the use of sustainable energy from benign sources of any jurisdiction in Canada.

Alberta Infrastructure will continue to pursue opportunities for improving its services and achieving its vision.

Ty Lund
Minister of Infrastructure

Management's Responsibility for Reporting

The Ministry of Infrastructure includes the Department of Alberta Infrastructure.

The executives within the Ministry have the primary responsibility and accountability for the department. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

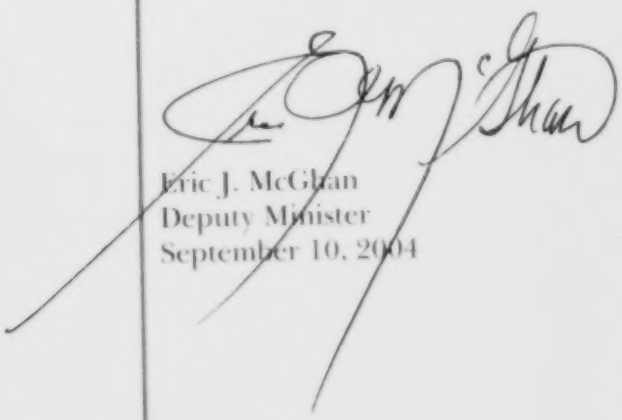
Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Infrastructure. Under the direction of the Minister I oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control that give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- provide information to manage and report on performance,
- safeguard the assets and properties of the province under Ministry administration,
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Infrastructure any information needed to fulfill their responsibilities, and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executive of the individual entities within the Ministry.



Eric J. McGhan
Deputy Minister
September 10, 2004

Overview

Vision
Alberta has innovative, quality, and sustainable public facilities.

Mission
Through leadership and technical expertise, provide effective, efficient, innovative and timely infrastructure and services.

Core Business 1
Working with partners to provide cost-effective, innovative and sustainable building infrastructure to support the delivery of government services.

Core Business 2
Managing government owned and operated facilities.

Core Business 3
Providing realty services for government facilities.

Core Business 4
Managing government air and vehicle fleets.

Scope of Operations

The mandate of the Ministry includes provision of policy direction, planning expertise and capital funding for schools, post-secondary institutions, health facilities, and seniors' lodges (referred to as supported infrastructure), as well as building and managing facilities that support government operations (referred to as owned infrastructure). The Ministry also provides and monitors operation and maintenance funding to schools. In addition, responsibilities of the Ministry include leasing, property acquisition and disposal, space planning for government facilities, and the Swan Hills Treatment Centre, as well as air and vehicle fleet management services.

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Quick Facts

(as of March 31, 2004)

Supported Infrastructure

Alberta Infrastructure contributes to Alberta's economic prosperity and quality of life through the provision of necessary, effective and safe infrastructure to meet the needs of Albertans including health facilities, school facilities, post-secondary institutions and seniors' lodges.

Health Facilities
9 Regional Authorities
1 Board
30.5 million sq. ft (2.8 million m^2)

School Facilities (K – 12)
64 Boards – Public, Separate and Francophone
13 Charter Boards
73.7 million sq. ft (6.8 million m^2)

Post-Secondary Institutions
4 Universities
15 Colleges
2 Technical Institutes
Banff Centre
39 million sq. ft (3.6 million m^2)

Seniors' Lodges
121 seniors' lodges
3.2 million sq. ft (0.3 million m^2)

Government Owned/Leased Properties

Alberta Infrastructure is responsible for a number of government owned and leased properties including: courts, correctional centres, historic sites, museums, interpretive centres, laboratories, general office space, group homes, residences, recreational facilities, education/ training facilities, legislative facilities, maintenance and services properties, warehouses, parking and multi-use facilities.

Combined these facilities comprise approximately:

Owned
1,860 Buildings
20.3 million sq. ft (1.9 million m^2)

Leased
310 Buildings
5.7 million sq. ft (0.5 million m^2)

Minister
Honourable Ty Lund
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Deputy Minister
Eric J. McGhan
Ph: (780) 427-2081 Fax: (780) 422-0186
E-mail: eric.mcghan@gov.ab.ca

Capital Projects Division
Malcolm Johnson
Assistant Deputy Minister
Ph: (780) 427-3835
Fax: (780) 427-3873
E-mail: malcolm.johnson@gov.ab.ca
Works with client departments and boards to plan, provide, preserve and upgrade health facilities, schools, post-secondary institutions and seniors' lodges. Administers Plant Operation and Maintenance funds for schools. Provides corporate business and legislative planning, oversees the development and management of departmental and program policies, and administers the *FOIP Act* on behalf of the Ministry.

Properties Division
Bob Smith
Assistant Deputy Minister
Ph: (780) 427-3875
Fax: (780) 422-1389
E-mail: bob.smith(INFRAS)@gov.ab.ca
Operates and maintains government-owned properties. Plans and implements government accommodation and capital construction projects. Provides real estate, land planning services, and manages the Transportation and Utility Corridors on behalf of government. Manages the Swan Hills Treatment Centre and administration of the Natural Gas Rebate Program.

Communications Branch
Mark Cooper
Director
Ph: (780) 422-0506
Fax: (780) 415-9793
E-mail: mark.cooper@gov.ab.ca
Services include media relations, issues management, communications planning and preparation of support materials, graphic design support, coordination of the Ministry's information line, and content management of the Ministry's Internet and Intranet.

Finance Branch
Jim Bauer
Executive Director
Ph: (780) 422-1033
Fax: (780) 644-1100
E-mail: jim.bauer@gov.ab.ca
Plans, monitors and prepares the Ministry's budgets including the Capital Plan. Conducts financial analysis and financial reporting, and manages financial systems. Provides financial support to capital project programs. Manages the compliance audits.

Information Management Branch
Don Tworowski
Executive Director
Ph: (780) 427-7395
Fax: (780) 427-8327
E-mail: don.tworowski@gov.ab.ca
Manages the planning and delivery of a full range of information services including development and implementation of information management technology policies. Delivers Internet and Intranet management and records management services.

Technical Services Branch
Tom O'Neill
Executive Director
Ph: (780) 422-7447
Fax: (780) 422-7479
E-mail: tom.o'neill@gov.ab.ca
Provides professional and technical support for planning, design, cost management, tender administration, construction, renovation, commissioning, use, operation and maintenance of government owned and supported facilities. Reviews tenders and provides recommendations for contract awards.

Vehicle Services Branch
Larry Robins
Director
Ph: (780) 427-8603
Fax: (780) 427-2163
E-mail: larry.robins@gov.ab.ca
Monitors central vehicle operations under contract to a private service provider and manages executive fleet operations.

Air Transportation Branch
Rob Madden
Director
Ph: (780) 427-7341
Fax: (780) 422-1232
E-mail: rob.madden@gov.ab.ca
Provides air transportation services to government departments, boards and agencies. Oversees a fleet of four aircraft.

Human Resources Branch *
Brigitte Fulgham
Executive Director
Ph: (780) 427-7602
Fax: (780) 422-5138
E-mail: brigitte.fulgham@gov.ab.ca
Coordinates human resource planning, policies, programs and strategies. Provides quality assurance and contract management for Alberta Corporate Services Centre activities including job classification and evaluation, recruitment and selection, training and development, employee relations and occupational health and safety.

* Shared with Alberta Transportation

Results Analysis

Introduction

On an ongoing basis, Alberta Infrastructure strives to meet its mission to provide effective, efficient, innovative and timely infrastructure and services through the achievement of its goals and strategies, and by measuring its performance. This results analysis section provides a summary of the Ministry's Expense and Capital Investment by Core Business/by Goal/and Expense by Function. For all goals, a detailed discussion of trends, impacts and Ministry achievements has also been included. With the exception of Goal 1, information on expenses by goal has also been included.

Ministry Expense and Capital Investment by Core Business/by Goal/and Expense by Function
The 2003-04 authorized budget is the initial budget plus any additional funds provided as a supplement to the budget.

Expense by Core Business (Thousands of dollars)		2003-04 Estimates	Adjustments	2003-04 Budget	Authorized Supplementary	2003-04 Authorized Budget	2003-04 Actual	2002-03 Actual (restated - Note 3)
Core Businesses								
1. Working with partners to provide cost-effective, innovative and sustainable building infrastructure to support the delivery of government services.		832,630	1,000	833,630	30,000	863,630	854,782	468,802
2. Managing government owned and operated facilities.		355,374	4,725	360,099	215,600	575,699	570,841	334,129
3. Providing realty services for government facilities.		8,100	-	8,100	-	8,100	18,034	7,712
4. Managing government air and vehicle fleets.		13,311	-	13,311	-	13,311	10,378	9,414
Ministry Expense[1]	**$**	**1,209,415**	**5,725**	**1,215,140**	**245,600**	**1,460,740**	**1,454,035**	**820,057**
1. Working with partners to provide cost-effective, innovative and sustainable building infrastructure to support the delivery of government services.		570	-	570	-	570	6,913	961
2. Managing government owned and operated facilities.		22,480	-	22,480	8,040	30,520	33,147	21,162
3. Providing realty services for government facilities.		19,223	-	19,223	-	19,223	16,551	6,183
4. Managing government air and vehicle fleets.		143	-	143	-	143	101	1,588
Capital Investment	**$**	**42,416**	**-**	**42,416**	**8,040**	**50,456**	**56,712**	**29,894**
TOTAL	**$**	**1,251,831**	**5,725**	**1,257,556**	**253,640**	**1,511,196**	**1,510,747**	**849,951**

[1] Includes Operating and Equipment and Inventory Purchases
Note 3: See Notes to Financial Statements in Financial Information

Expense and Capital Investment by Goal (Thousands of dollars)	2003-04 Estimates	2003-04 Actual	Variance
Goal 1	0	0	0
Goal 2	580,220	603,778	(23,558)
Goal 3	236,006	234,634	1,372
Goal 4	244,738	246,715	(1,977)
Goal 5	107,617	118,498	(10,881)
Goal 6	8,961	6,345	2,616
Goal 7	19,373	17,172	2,201
Goal 8	12,500	226,893	(214,393)
Ministry Expense[1] $	**1,209,415**	**1,454,035**	**(244,620)**
Goal 3	0	6,508	(6,508)
Goal 4	21,909	32,742	(10,833)
Goal 5	19,080	16,450	2,630
Goal 7	1,427	1,012	415
Capital Investment $	**42,416**	**56,712**	**(14,296)**
TOTAL $	**1,251,831**	**1,510,747**	**(258,916)**

[1] Includes Operating and Equipment and Inventory Purchases

Expense by Function (Thousands of dollars)	2003-04 Budget	2003-04 Actual	2002-03 Actual
1. Health	222,001	218,403	29,474
2. Education	572,322	595,904	429,921
3. Social Services	1,870	-	-
4. Agriculture, Resource Management and Economic Development	1,505	-	-
5. Regional Planning and Development	777	-	-
6. Protection of Persons and Property	5,512	232	312
7. Transportation, Communications and Utilities	340	214,393	4,761
8. Environment	29,398	23,635	31,650
9. Recreation and Culture	13,000	13,037	405
10. Housing	5,300	6,209	21,033
11. General Government	353,540	361,164	302,501
12. Debt Servicing Costs	-	-	-
TOTAL EXPENSE[2] $	**1,205,565**	**1,433,067**	**820,057**

[2] Includes Operating Expenses only

Goal 1: Improve planning of government owned, leased and supported infrastructure to ensure value for investment.

Analysis:
The Capital Planning Initiative sets out a structured framework to ensure that government spending on capital infrastructure is prudent, targeted to the highest priority needs, and consistent with the government's overall fiscal objectives. Short and long-term capital plans are submitted to the Ministry by school boards, post-secondary institutions and health regions, and are reviewed and prioritized by a team of experts from various Ministries.

In addition, government-owned infrastructure such as buildings, roads and bridges, and water management capital works are reviewed. Projects are prioritized and rated against predetermined criteria including health and safety, program delivery needs, potential economic benefits, cost-savings/avoidance, and the potential for alternative funding opportunities. Where available, data on the current and projected physical condition, utilization and functional adequacy of existing facilities are used as tools in the evaluation of individual projects.

The highest priority projects are then recommended for inclusion in the Government of Alberta Capital Plan, which is reviewed and approved by the new Ministerial Capital Planning Committee and then submitted for Treasury Board approval during the budget process. Through the Capital Planning Initiative, Albertans have assurance that funding for capital projects in Alberta is reviewed thoroughly, decisions are clearly documented, and taxpayer investment is protected.

During the year, ministries continued to work together through the Capital Planning Initiative Working Committee to enhance the planning and priority setting of funding for capital investment in infrastructure. The process continues to evolve and, as a key partner, Alberta Infrastructure continues to enhance its internal processes to support effective long-term capital planning.

For the planning process to be effective, support from school boards, health regions, post-secondary institutions and other ministries is needed. Each year these stakeholder groups provide updated capital plans that are reviewed and integrated into the government's capital planning process. The work undertaken during the reporting period resulted in development of the 2004-07 Capital Plan which was part of Budget 2004.

Although no budget dollars were specifically tied to this goal, staffing resources in program areas work with the various boards in developing their capital plans and analyzing those plans to ensure that funding decisions are appropriate. Since the Capital Planning Initiative was implemented several years ago, planning processes have been put in place. These allow the government to review and prioritize projects to meet the highest priority needs.

Additional key accomplishments:

- Co-sponsored the cross-ministry Capital Planning Initiative (CPI), with Alberta Transportation and Alberta Finance:
  - … Chaired the Prioritization Task Group – reviewed in detail 33 high-priority capital projects submitted for government funding consideration in the 2004-07 Capital Plan. Provided detailed analysis of each project and recommended a priority ranking.
  - … Chaired the Performance Measures Task Group – formed a new committee responsible for monitoring the development of three key CPI performance measures, being physical condition, utilization and functional adequacy of government owned and supported infrastructure. Preliminary work was undertaken to determine and report on the status of performance measures for each type of infrastructure (e.g. roads and bridges, government buildings, schools, post-secondary institutions, health facilities, etc.).
  - … Co-chaired the Asset Management Task Group – continued implementation of the Building and Land Infrastructure Management System; developed core CPI definitions for maintenance, preservation and expansion of capital assets. Based on new definitions and new facility-condition information, updated the list of outstanding deferred maintenance requirements for consideration in development of the government's 2004-07 Capital Plan.
  - … Participated in the Management Reporting Task Group – provided extensive input into development of the process and templates for all Ministries to use in the submission of financial information on their projects. Information for Treasury Board was prepared and submitted to support development of the Capital Plan.
  - … Participated in the Alternative Financing Task Group – assisted in development of cross-ministry guidelines for ministries to use in determining the applicability of projects for alternative financing, such as public-private partnerships (P3s).

Other related planning activities:

- Prepared and published the Alberta Infrastructure P3 Guidance Document outlining the Ministry's requirements for review and processing of proposed public-private partnerships submitted by stakeholder boards and industry.
- Continued to work with stakeholders to discuss opportunities for alternative procurement (such as P3s) by participating in public meetings, and conferences.
- Expanded use of the business case for all major health and learning capital projects (over $5 million) where funding is requested under the government's Capital Plan.

Goal 2: Provide leadership to deliver effective and efficient facilities in support of life-long learning.

Analysis:

The delivery of effective and efficient kindergarten to grade 12 and post-secondary educational programs and services requires quality facilities that meet the needs of today's learners. Alberta Infrastructure's role is to work with Alberta Learning, school boards and post-secondary institution boards to plan and implement facilities that meet local needs.

With Alberta's economic growth in recent years some urban communities are growing at a faster rate than anticipated, resulting in a shortfall of needed infrastructure, such as schools, to support the delivery of government programs. In contrast, some rural communities and inner city areas are experiencing static or declining population growth resulting in an underutilization of school facility space. Balancing the need for upgrading existing facilities and ensuring that growth needs are met requires ongoing consultation with school boards to identify project priorities. This is accomplished through the development of capital plans by the boards and the review and prioritization process undertaken through the government's capital planning process. As well, the Ministry undertook additional projects to analyze specific issues and develop solutions in consultation with stakeholders.

In recent years, school boards and government have made a concerted effort to deal with the issue of space utilization in school facilities. Following the Minister's Symposium on Schools held in late 2001, five committees undertook detailed evaluation of five key areas including the functionality and utilization of school facilities. During 2003-04, the subcommittee on functionality and utilization submitted several recommendations that are being taken into account as the Ministry continues to undertake further review and analysis of the overall issue of facility utilization.

Utilization of school facility space is not only important to school boards but to the Ministry as well. When space is not being utilized there are still operating costs incurred, such as heating and electrical costs. Increased inflation and rising caretaking and energy costs over the past year have made it increasingly difficult for school boards to operate and maintain their facilities. Recognizing this, in June 2003 an additional $30 million was added to the original 2003-04 program budget of $331.5 million for Plant Operations and Maintenance (PO&M) funding for schools. PO&M funding is provided on a formula basis for operating costs such as caretaking services, utilities and minor repairs.

Like much of Alberta's infrastructure, school facilities and post-secondary institutions continue to age and require ongoing planned maintenance and upgrading to ensure that they are in acceptable condition. In fact at the end of 2003-04, over 65 per cent of school facilities were more than 25 years old. As well, the average age of post-secondary facilities is in the order of 35 years, with the oldest facility built in 1915. To assist boards in dealing with ongoing maintenance costs, $27.7 million in Infrastructure Maintenance Program funding was provided to school boards and $24.8 million to post-secondary institutions.

In total, the Ministry spent $603.8 million supporting this goal, exceeding the original estimate by $23.6 million. This included school PO&M funding, capital grants, and program delivery costs relating to the provision of learning facilities. This increased spending was the result of a one-time increase of $30 million for school PO&M funding that was partially offset by cash-flow adjustments on a number of school capital projects.

Additional key accomplishments:

- Under the Capital Plan announced as part of Budget 2003, 177 school projects were approved, including 25 new schools, 29 modernizations and 123 upgrading projects.

- School capital funding totalled $109.6 million, consisting of $39.1 million on preserving existing facilities and $70.5 million on expansion and new schools. A few of the approved projects include the Bearspaw, Crossing Park, and Ecole de la Source schools in Calgary; Gus Wetter School in Castor; Holy Spirit Academy in High River; and the Father Michael Troy, Guthrie, and Jackson Heights schools in Edmonton.
- Working with stakeholders and Alberta Learning, the Ministry updated a policy for initial site planning which was reissued to school boards. The new policy included requirements for managing site contamination and overhead electrical services in school facilities.
- Funding for post-secondary capital projects totalled $124.8 million and was allocated to high priority projects including the construction of new Health Research Innovation Centres for both the University of Calgary and the University of Alberta in Edmonton. These new state-of-the-art facilities will make Alberta a leader in medical research and attract skilled researchers from around the world. As well, the construction of a new Natural Resources Engineering Building and the expansion of the power plant at the University of Alberta were approved within the 2003-06 Capital Plan.
- In concert with Alberta Learning, work continued on a utilization study to determine the overall system capacity and utilization of each post-secondary facility. The study includes development of room classification systems and standards, space inventory, and development of a methodology for measuring utilization on an ongoing basis.

Goal 3: Provide leadership in the development and upgrading of effective, efficient health care and seniors' facilities.

Analysis:

Alberta is a vibrant province with a growing population and changing communities. While some communities boast population growth, others are experiencing a decline. When balancing health infrastructure requirements in response to changing health services needs, challenges faced by the Ministry include the concentration of people in major urban areas, access to facilities in rural areas, emerging and new technologies, and an aging population.

To effectively respond to these and other challenges, the Ministry works with health regions and Alberta Health and Wellness to assess infrastructure needs and develop solutions to make the best use of available capital and maintenance funds.

One such initiative was the development of the Health Sustainability Initiative Fund, launched in Budget 2003, that will provide $59 million to health authorities over a three-year term. The fund will assist health authorities in ensuring the best use of existing facilities by supporting the conversion from acute care to long-term care, new service delivery models, integration of mental health services, or the consolidation of regional programs and services in communities where additional capacity is most needed. In 2003-04, $20 million was provided for the conversion of 18 existing health facilities.

Public-private partnerships have also enhanced the health system's ability to take advantage of opportunities, especially in terms of providing long-term care facilities. For example, in 2003-04, $7 million was provided to the Capital Health Region to continue their partnerships with the private sector to build and operate long-term care facilities in the region. In addition, new P3 continuing care facilities were completed in Sylvan Lake, Evansburg, and the Devonshire Continuing Care Centre in Edmonton.

For all types of infrastructure, ongoing maintenance is a must to ensure that taxpayer investment is protected. To this end, $34.7 million was provided to health regions to undertake their infrastructure maintenance programs. This funding is formula-based and takes into account criteria such as the age and condition of health facilities. To ensure the most recent facility information was taken into account during the planning and approval process, the Ministry continued to work with health regions to obtain current area and condition data on owned and leased facilities.

In addition to long-term and continuing care facilities, there is an ongoing need for seniors' lodges within Alberta. The Lodge Upgrading Program was introduced several years ago to upgrade 121 lodges throughout the province. The program is nearly completed, with 118 of the 121 lodges now upgraded, and has been highly successful in modernizing these existing lodges to current standards and extending the facility life of existing seniors' lodges. To further maximize the life of these facilities and protect taxpayer investment, Ministry staff conducted seminars on appropriate maintenance procedures for the benefit of lodge operating and maintenance staff. Seminar topics included mechanical, electrical, architectural, grounds keeping and handling of hazardous materials. In addition, lodge foundations are being encouraged to plan future maintenance activities and undertake ongoing maintenance at the appropriate time.

Under this goal, a total of $234.6 million was spent in 2003-04 to cover the costs of the health capital program, the Infrastructure Maintenance Program for health facilities, the Lodge Upgrading Program, and the related program delivery costs. Actual expenditures were less than the estimate by nearly $1.4 million as some program funding was reallocated to address critical funding pressures in other programs.

Additional key accomplishments:

- The new Capital Plan enabled health regions to proceed with a number of previously deferred major capital projects. These included:
  - … The Alberta Heart Institute, the North Treatment Centre at the Royal Alexandra Hospital, and replacement of the Mewburn Veterans Centre in Edmonton;
  - … The Southern Alberta Forensic Psychiatry Centre, new Children's Hospital, and the Alberta Bone and Joint Institute in Calgary;
  - … The 120 bed long-term care wing addition to the Westlock Health Centre; and
  - … Replacement of the 90 bed long-term care facility in Vegreville.
- In October 2003, construction of the Alberta Heart Institute was officially launched at the University of Alberta Hospital in Edmonton. This project is a significant investment in the prevention and treatment of heart disease, the number one cause of death among Albertans. When the Institute opens, it will reduce waiting lists for heart treatments and provide a centre of excellence that includes heart and stroke research and education.
- During 2003, eight health facilities commenced in previous years were officially opened. Projects such as the new health centre in Manning, consisting of 12 acute and six continuing-care beds, as well as accommodation for community health services, and the new 40 bed long-term care centre in Evansburg, will provide local residents with enhanced health services.
- Construction on the new Children's Hospital in Calgary commenced during the year and is expected to be completed by August 2006. The new hospital, which will replace the existing facility at Richmond Road and 17 Avenue SW, will handle up to 60,000 emergency visits a year.

Goal 4: In partnership with all Ministries, manage government owned and leased facilities to achieve a safe and healthy environment and support the delivery of government programs.

Analysis:

Alberta Infrastructure manages a wide variety of government owned and leased facilities to support the delivery of government programs. These include courts, correctional centres, historic sites, museums, interpretive centres, laboratories, general office space, group homes, residences, recreational facilities, education/training facilities, legislative facilities, maintenance and services properties, warehouses, parking, and multi-use facilities.

There have been successes and numerous challenges in managing such a diverse range of facilities. Many of the challenges are outcomes of the normal aging of facilities and building systems when maintenance is deferred. While there is a continual demand for new space to service an increasing population in some areas of the province, there is also competing pressure for funds for ongoing maintenance of existing infrastructure.

In 2003-04, expenditures totalled $246.7 million to support the operation and maintenance of government owned and leased facilities. Actual expenditures exceeded the original estimate by some $2 million due primarily to increased utility costs. In addition, $32.7 million was spent on capital investments to support this goal. Funding was provided to support the operation and maintenance costs of some 2,170 facilities throughout the province representing approximately 26 million square feet (2.4 million square metres) of facility space. As well, funding was provided for the ongoing management of the Swan Hills Treatment Centre, for capital and accommodation projects in government facilities, the implementation of Centennial projects, and related program delivery costs.

The Ministry continued to review options and implement new initiatives to help minimize operating costs in government facilities and kept the energy consumption levels and overall operating costs below the industry average (see performance measures contained in this report). One example is continuation of the Energy Retrofit Program whereby the private sector upgrades existing building components with energy-efficient products with retrofit costs paid from energy cost savings. The new green power electrical contracts will provide power to 90 per cent of government facilities starting in 2005 and reduce emissions and overall energy costs through the use of renewable energy sources.

During the year, the Ministry looked at alternative ways to obtain new facilities where required, the primary one being the construction of a new Calgary Courts Centre. Last year, the Ministry reported that it was pursuing interest in a public-private partnership that would consolidate Calgary's Court of Appeal, the Court of Queen's Bench, and the four divisions of the Provincial Court which are now located in six facilities. Extensive work was undertaken in 2003-04, resulting in a comprehensive plan to build a court facility that will meet the needs of Albertans.

As did other organizations worldwide, Alberta Infrastructure enhanced its focus on security over the past year. In this regard, the Ministry set up a security unit to lead the development of a security strategy for government facilities and manage the overall security needs for facilities under the mandate of Alberta Infrastructure.

Additional key accomplishments:

- In support of the Alberta Children and Youth Initiative, completed 10 building projects with seven others underway. These include:
  - ... Completion of a new Youth Assessment Centre in Fort McMurray;
  - ... A new Regional Authority Office in Barrhead;
  - ... A new Children's Services' delivery office on the Paddle Prairie Metis Settlement in partnership with the regional health authority;
  - ... Phase 2 of the Rosecrest Centre for Children with Disabilities; and
  - ... Partnership with the public and Catholic school boards in the development of a new school/Children's Services' office (Trillium Centre) in Sherwood Park, to be operational in 2004.
- Provided major support for the programming and design of a new Level 3 Biocontainment Laboratory to test for Bovine Spongiform Encephalopathy (BSE) and other Transmittable Spongiform Encephalopathy (TSE).
- Provided major support for the programming and design of a new Agrivalue Processing Business Incubator facility to be built at the Leduc Food Processing Facility.
- In cooperation with other Ministries, the Personnel Administration Office, Alberta Human Resources and Employment, Alberta Municipal Affairs, and Alberta Solicitor General developed a framework and action plan for emergency preparedness and response plans for all government owned and leased facilities.
- Updated the Indoor Air Quality Guideline, a technical bulletin and operating procedures related to mould. Enlisted the services of the Alberta Research Council to develop a Building Mould Assessment and Management Program, to help assess health issues, ensure best practices in remediation, and support communication on this issue.

- Opened the Emergency Management Centre in collaboration with Alberta Municipal Affairs. Alberta Infrastructure contributed close to $1 million toward the construction of this facility. The centre is able to house staff under one roof to coordinate all activities related to emergency preparedness, response and recovery.
- Continued development of an Environmental Management System into the implementation phase. Following the development of an environmental policy and an initial environmental report, a draft Core Manual was completed, and objectives and targets were established.
- Updated the water treatment program for government owned and leased buildings, aimed at preventing deterioration of water systems by ensuring that operating personnel were sufficiently trained to implement the program at the physical plant level.
- Received a National Earth Award for excellence in resource preservation and environmental commercial building management. The award, presented by the Building Owners and Managers Association (BOMA) Canada, was for the Ministry's work in partnership with the Alberta Research Council at the Alberta Research Council facility in Edmonton.
- Continued to deliver projects under the Centennial Program:
  - … Completed and opened the new Learning Centre addition at the Royal Tyrrell Museum in Drumheller;
  - … Announced the Provincial Archives' move to a newly renovated facility on Roper Road in east Edmonton;
  - … Continued restoration of Lougheed House, development of interpretative exhibits for the Sam Livingston Fish Hatchery and refurbishment of the Northern and Southern Jubilee Auditoria; and
  - … Initiated these new projects: renovation and addition to the Provincial Museum; the Lesser Slave Lake Bird Observatory; Cypress Hills Provincial Park Interpretive Centre; Writing-on-Stone Interpretive Centre; and a field station expansion at Dinosaur Provincial Park.

Goal 5: Manage land requirements to support the delivery of government programs and maintain effective environmental stewardship of existing sites.

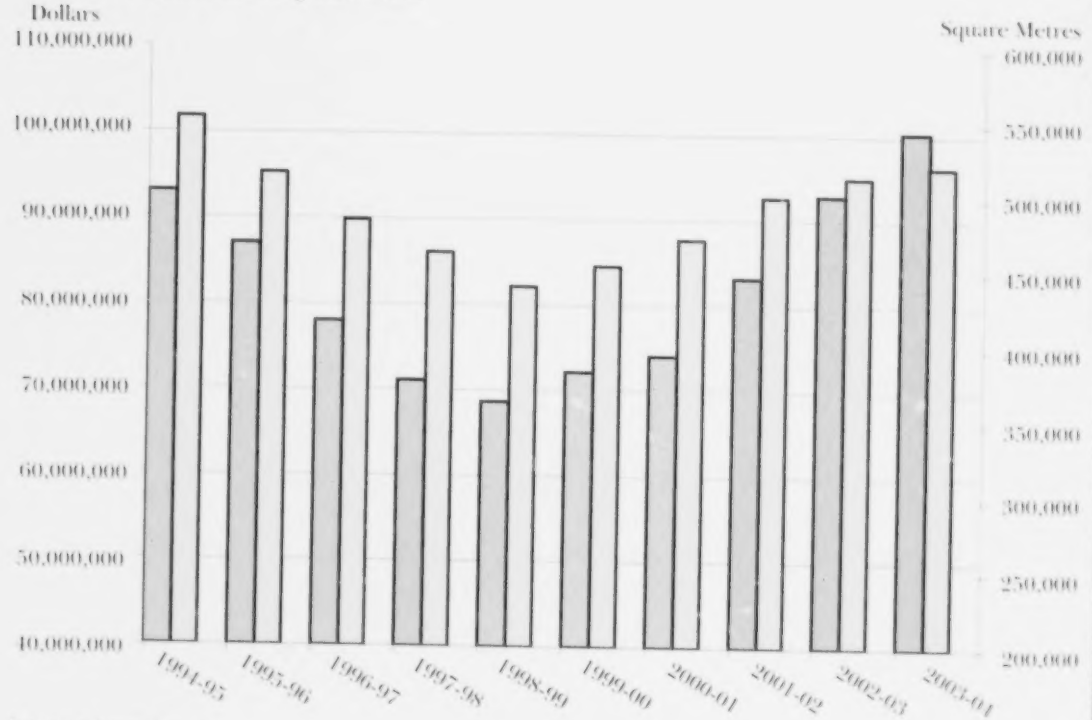
Analysis:

The Ministry provides real estate and leasing, as well as land acquisition and disposition services to support government program delivery needs. Alberta Infrastructure also provides land planning services for the Edmonton and Calgary Transportation and Utility Corridors.

With Alberta's growing economy and constantly changing needs, the Ministry must be responsive and flexible in dealing with the government's program delivery priorities within the limited dollars available. Efforts continued throughout the year to dispose of surplus or underutilized property. During the year, a total of $18.4 million in property was sold, bringing the total of surplus land sold in the past five years to $136.3 million.

While every effort is made to control and reduce expenditures, costs of leased space have increased in the past several years reflecting the real estate markets. These increases are particularly evident in Calgary and Edmonton where most of the government's leased space exists. As well, while government significantly reduced its leased space throughout the 1990s, the amount of space has increased in the past five years in response to the needs of program departments. The following graph demonstrates the ten-year trend in costs per square metre and total expenditures, and the amount of space leased.

Leased Space and Expenditures



	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
Average Gross Per Square Metre	$169	$168	$160	$154	$156	$159	$157	$166	$183	$192
Number of Leases	602	565	528	519	464	467	474	506	511	509

Expenditures Leased Space

Extensive land planning and acquisition work was undertaken in relation to the Edmonton and Calgary Transportation and Utility Corridors (TUCs) to accommodate Alberta Transportation's focus on the continued construction of ring roads around Edmonton and Calgary (Anthony Henday Drive and Stoney Trail respectively).

To enhance communication with clients interested in the TUC lands, Alberta Infrastructure's website was expanded to include a TUC site. This new site clearly outlines objectives related to the TUCs, contact information, policies and procedures.

Alberta Infrastructure prides itself in being a good steward of the environment. In collaboration with other Ministries, during 2003-04 Alberta Infrastructure managed 65 environmental site restoration projects including highway maintenance yards previously used by government. In addition, work was completed at the Turner Valley Gas Plant, a provincial historic site, to restore the Sheep River to its original course and prevent further erosion while reducing the risk of contaminants entering the river.

Under this goal, a total of $118.5 million was expended in 2003-04, $10.9 million above the original budget estimate of $107.6 million. The over-expenditure is due primarily to higher than anticipated land purchase costs for the Transportation and Utility Corridors. In addition, $16.5 million was spent on capital investments to support this goal.

Additional key accomplishments:

- Alberta Transportation, Alberta Environment and Alberta Infrastructure continued to work together on a Joint Environmental Committee (JEC) to establish acceptable practices for the operation of contaminated highway maintenance yards and other sites. To this end, JEC prepared a training video to raise awareness of contamination issues and concepts of responsible environmental management at these sites.
- Undertook environmental restoration and risk management projects at selected sites that included highway maintenance yards at Caroline, Hinton and Warburg.
- Entered into a new 10-year agreement with Earth Tech (Canada) Inc. for operation of the Swan Hills Treatment Centre. The Swan Hills Treatment Centre is capable of safely processing 40,000 tonnes of hazardous waste per year and is the only facility of its kind in North America.

- Facilitated building lease agreements for projects involving the Calgary Health Region and the University Research Park in Calgary to promote and encourage research development activities between the University of Calgary and industry.
- Participated in a number of environmental committees, including the Action Plan on Climate Change, Canadian Green Building Council, and a table of interested parties on the Government of Canada Building in Yellowknife, Northwest Territories. Also maintained a working liaison with Climate Change Central, a unique partnership involving industry, stakeholder organizations and government.

Goal 6: Efficiently manage the government's air and vehicle fleets to provide safe, reliable and responsive service.

Analysis:
Alberta Infrastructure operates and maintains a fleet of four aircraft on behalf of government, comprised of three Beechcraft King Air aircraft, which can carry up to nine passengers, and a 36-passenger deHavilland Dash 8. Provision of these air transportation services continues to offer time savings and cost-effectiveness to government departments, boards and agencies.

Departures from the Edmonton City Centre Airport allow direct flights to approximately 120 airports throughout the province, which reduces the number of work hours spent travelling, saves the cost of ground transportation and terminal parking fees, and reduces the potential need for hotel accommodations. The highest standards of excellence in flight operations and maintenance procedures along with ongoing commitment to safety through staff training has led to an exemplary safety record.

In addition to the air transportation fleet, the Ministry also manages a vehicle fleet on behalf of the Alberta government. During 2003-04, a seven-year lease agreement for light duty vehicles was established and will provide volume cost savings to the Government of Alberta as compared to leasing by individual departments. The long-term vehicle lease agreement includes an option to extend agreements on low-mileage vehicles, allowing government to continue to operate those vehicles longer than the current three-year term. This new clause will lower the monthly lease amount in the extended portion of the lease agreement on these vehicles for further cost savings.

The total expenditure related to the provision of air and vehicle services and related program delivery costs was $6.3 million. This was $2.6 million less than the original budget estimate of $8.9 million, primarily due to reduced amortization costs of fleet vehicles.

Additional key accomplishments:

- Continued a preventative maintenance program ensuring the safety and reliability of the air fleet.
- Maintained a zero-accident rate in the provision of 795 flights during the fiscal year. Only six flights were delayed more than 15 minutes which means an exceptional reliability rating of over 99 per cent.
- Worked with other government departments to improve processes related to provision of vehicles, including communication of the new lease agreement terms, identification of existing government-owned vehicles needing to be retired or replaced, and the maintenance of a pool of vehicles for temporary use.
- Ministry staff also participated on a cross-ministry working committee to investigate strategies to reduce vehicle theft in Alberta. The committee consulted with stakeholder groups before drafting proposals and a report for government review. Discussion covered vehicle history, education and public awareness, legislation, enforcement, and prosecution.

Goal 7: Improve client service and ensure cost-effective, quality administration is in place.

Analysis:

Delivering quality client service is integral to our success and to achieving our business plan goals. Goal 7 covers a wide range of activities in every area of our operation. To better evaluate how our stakeholders view the services we provide, we expanded our external Client Satisfaction Survey. The survey undertaken previously was used and questions related to key program delivery areas were added. The overall satisfaction levels in the current survey have improved over the previous survey results, and have exceeded our business plan target. Feedback received through the Client Satisfaction Survey will be analyzed, and used in the development of service improvement strategies.

Efforts continued this year to enhance our contracting processes. The Ministry's Contracts Review Committee, comprised of senior executive members from across program delivery and corporate service areas, continued to monitor all tendering and contracting activities to ensure adherence to Ministry policies. The committee developed and implemented a new consultant selection policy which provides greater access to departmental consulting opportunities, ensuring transparency and fairness in consultant selection practices and value for money.

As a supplement to the new consultant selection policy, development of a vendor evaluation process commenced to monitor consultant and contractor performance and establish an internal resource for future decision making. In addition, a vendor registry has been developed that will allow all contractors and consultants who have an interest in Ministry contracting opportunities to post their company's credentials on the Ministry website. Once fully implemented, school boards, health regions and post-secondary institutions will also have access to this information, allowing greater visibility for local companies.

To manage the data collected for existing and future requirements and deferred maintenance, work continued on the Building and Land Infrastructure Management System (BLIMS). In 2003-04, detailed inventory data for government facilities, schools and post-secondary institutions was entered into the system, including parameters of each building such as usage and square footage. The new leasing module is the repository for all information related to government facility leases. All data was converted from legacy systems to the new module as of March 31, 2004. This module will go on-line in the fall of 2004. Work also commenced on a business case to clearly articulate the needs for Phase 2 of the BLIMS project, which will include expansion of the system for use by stakeholder groups such as schools, post-secondary institutions and other ministries.

Improving web-based service has also been a significant focus of Alberta Infrastructure. It provides the public with easy access to a wide array of information at the touch of a key. For example, the Alberta Infrastructure P3 Guidance Document has been added to our website, and the Properties for Sale website was redeveloped to provide Albertans with improved access to government-owned properties for sale. Additionally, COOLNet is an electronic plan room providing timely, convenient and cost-effective access to construction opportunities. The Government of Alberta was awarded the Claude Alston Memorial Award by the Edmonton Construction Association in appreciation for its partnership in the ongoing development and operation of COOLNet Alberta. Alberta Infrastructure has been a significant partner in this endeavour.

Actual operating expenditures related to this goal total $17.2 million and include Ministry support services. This is a decrease of $2.2 million from the original operating budget estimate of $19.4 million due primarily to operating savings that were transferred to other program areas to address critical funding pressures. In addition, capital investment related to this goal totalled $1 million, a variance of $400,000 from the original estimate of $1.4 million due primarily to the postponement of several components of the BLIMS project.

Additional key accomplishments:

- Hosted a Minister's Symposium on Schools follow-up meeting on January 22, 2004. The session invited stakeholders from school boards, industry and municipalities to hear updates on how the Ministry had responded to their recommendations from the 2001 symposium and follow-up committee work that was undertaken. By the end of 2003-04, all of their recommendations had either been implemented or were in the process of being implemented by the Ministry, with the exception of those that require changes to existing legislation and will require further review and discussion by impacted parties.
- Held round-table sessions with health regions throughout the province. The purpose of these sessions was to discuss Ministry policies and procedures and to develop an accountability framework that will clarify the roles of health regions and the Ministry regarding capital projects.
- Attended regular school board district zone meetings to share information on funding programs and related issues. These sessions allowed Ministry staff to learn and better understand local issues.
- Continued to monitor construction costs, inflation and specific industry-related costs. This information assists Ministry staff and stakeholder boards in evaluating tender prices and preparing cost estimates for proposed projects.
- Developed a minor amendment to the *Builders Lien Act* that was passed in the Fall 2003 Session of the Legislature. The adjustment to Section 36 of the Act clarifies the Ministries responsible for registering liens against estates or interests in minerals.

Goal 8: Support economic growth and diversification to maintain prosperity and quality of life for Albertans.

Analysis:
Quality infrastructure is one of the key requirements for a prosperous economy. Rapid population and economic growth in some sectors of the province have put pressure on expanding Alberta's infrastructure, including schools, post-secondary institutions, health facilities and government facilities. In addition, government owned and supported infrastructure is aging and significant investment is necessary to protect taxpayers' investment.

With the implementation of its new fiscal framework and Capital Plan, the government has provided a more structured approach to funding capital projects that support the delivery of government programs. The Capital Plan, announced as part of Budget 2003, brings sustainability and predictability to capital spending and allows the Ministry and its clients to more effectively plan for their capital needs. The Capital Plan also includes flexibility for alternative financing opportunities such as public-private partnerships.

The 2003-06 Capital Plan included funding to build new and replacement schools as well as modernize and expand existing ones. The new facilities will help address student needs in areas that are experiencing rapid growth.

Funding for high profile health facility projects previously deferred was also provided within the Capital Plan, allowing the new Children's Hospital in Calgary, the North Treatment Centre at the Royal Alexandra Hospital in Edmonton, the Alberta Heart Institute, and the Alberta Bone and Joint Institute to proceed.

Two new Health Research Innovation Centres, housed at the University of Calgary and the University of Alberta, were also included in the Capital Plan. Once completed these new facilities will allow for expanded Doctor of Medicine programs, provide more medical research space, attract top research professionals, and support medical research in areas such as diabetes.

Alberta's aging infrastructure requires planned maintenance to ensure that normal deterioration is not exacerbated. Over the years, the requirement for upgrading of government owned and supported building infrastructure has increased as many facilities are reaching an age where major refurbishment is required.

One of this Ministry's 2003-06 business plan strategies called for the development of a plan to eliminate the existing infrastructure debt, including the deferred maintenance over time. The Ministry did extensive work during the reporting period to enhance its ability to monitor and report on deferred maintenance.

A common definition was developed under the auspices of the Capital Planning Initiative, and a review of the outstanding maintenance projects was conducted. Steps were taken to ensure that the estimation of the required cost of maintaining and renewing the existing infrastructure was calculated in a consistent manner across all building program types and included all applicable project costs such as construction costs, consulting fees, contingencies, escalation, and project administration costs.

This review resulted in a revised estimate of outstanding deferred maintenance of $2.2 billion. Much of the outstanding maintenance requirements in the existing infrastructure relate to the mechanical and electrical systems where aging components are nearing or have reached the end of their projected life cycle. In response to this issue, the ministry has:

- Measured the long-term investment requirements in the existing building infrastructure;
- Developed a plan to address the highest priority deferred maintenance needs and issues; and
- Worked to highlight the importance of investing in the existing infrastructure as part of the Capital Planning Initiative's capital prioritization process.

The government of Alberta Natural Gas Rebate Program is designed to help Albertans when gas prices and consumption needs are high. The Ministry worked with Alberta Energy, Alberta Agriculture, Food and Rural Development, Alberta Justice, and 110 natural gas service providers to develop a new Natural Gas Rebate Program. Program regulations, guidelines, policies and procedures were created and implemented to protect natural gas and other fuel users from high winter gas costs. For a three-year term, rebates will be issued to all natural gas and other fuel users during the months of November to March if the price exceeds $5.50 per gigajoule. The program also addressed high fuel costs for four agricultural sectors (greenhouses, irrigation, grain dryers and forage dehydrators) for their choice of five months during 2003-04. Alberta Infrastructure is responsible for the administration of this program. During 2003-04, $214.4 million was provided in rebates for the months of January, February and March 2004.

Under this goal the Ministry also provided $12.5 million to support the Alberta 2005 Centennial Legacy grants. Administered by Alberta Community Development, the Legacy Grant Program is part of the Alberta Centennial Initiative and is a community-based funding program to municipalities and not-for-profit groups. The program focuses on publicly accessible projects such as community cultural, historical and recreational facilities that will be a legacy for future generations.

Total expenditure in support of this goal was $226.9 million. The original budget estimates for this goal included only $12.5 million for the Centennial Legacy grants; however, an additional $215.6 million was approved under supplementary estimates following announcement of the Natural Gas Rebate Program.

Additional Key Accomplishments:

- Participated in the Rural Development Initiative, a segment of the Government of Alberta's Economic Development Strategy, a cross-ministry priority policy initiative, and assisted in the development of goals and targets. Also provided input on trends, opportunities and issues faced by rural communities, such as declining enrolment in schools and access to health facilities and post-secondary learning opportunities.
- Continued the Internship Program whereby recent graduates from post-secondary institutions are hired for terms from six months to two years to gain experience in their chosen field and learn about the Alberta Public Service as a viable option for their future career. During 2003-04, 11 interns were on staff within Alberta Infrastructure. This worthwhile initiative supports the Ministry's continuity planning initiative and allows seasoned staff to share their knowledge and expertise.
- Supported the Government of Alberta's Aboriginal Policy Initiative by continuing to participate in the Aboriginal Apprenticeship Program. Also participated in the cross-ministry initiative and assisted in the development of goals and targets and reporting of activities.

AUDITOR GENERAL
Alberta

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Measures

To the Members of the Legislative Assembly

In connection with the Ministry of Infrastructure's performance measures included in the *2003–2004 Annual Report of the Ministry of Infrastructure*, I have:

1. Agreed information from an external organization to reports from the organization.

2. Agreed information from reports that originated within the Ministry to source reports. In addition, I tested the procedures used to compile the underlying data into the source reports.

3. Checked that the presentation of results is consistent with the stated methodology.

4. Checked that the results presented are comparable to stated targets, and information presented in prior years.

5. Checked that the performance measures, as well as targets, agree to and include results for all of the measures presented in Budget 2003.

As a result of applying the above procedures, I found no exceptions. These procedures, however, do not constitute an audit and therefore I express no opinion on the performance measures included in the *2003–2004 Annual Report of the Ministry of Infrastructure*.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
August 11, 2004

Measuring Our Performance

Most of the Ministry's business plan performance measures relate to the overall performance of health facilities, schools, post-secondary institutions or government buildings. Our vision of having innovative, quality and sustainable public facilities can only be attained by ensuring that existing infrastructure is properly maintained and that new infrastructure is provided as needed.

In concert with the Government of Alberta's Capital Planning Initiative (CPI), three core measures were developed to aid in making sound capital funding decisions. These measures are physical condition, utilization and functional adequacy. All Ministries responsible for capital infrastructure are required to use these core measures so that comparisons can be made across infrastructure types. Under the CPI, the measures are defined as follows:

Physical Condition:

- ***Good*** condition is defined as adequate for intended use and expected to provide continued service life with average maintenance.
- ***Fair*** condition is defined as buildings that have aging components nearing the end of their life cycle and require additional expenditures for renewal or refurbishing.
- ***Poor*** condition is defined as requiring upgrading to comply with minimum codes or standards, and deterioration has reached the point where major repairs or replacement are necessary.

Actual results are reported as the percentage of the facility inventory that is in acceptable condition (*good* or *fair*), using data from previous technical assessments of the condition of all buildings. With the exception of government facilities, of which 20 per cent are reassessed each year, the data for schools, post-secondary institutions and health facilities are somewhat dated and assumptions have been made in determining the overall condition results for 2003-04.

To refresh condition data for supported infrastructure facilities on an ongoing basis, the Ministry formed a new unit within its Capital Projects Division to undertake condition assessments and refresh condition data on at least twenty per cent of facilities each year. Sixty-nine condition assessments of school facilities commenced just prior to year end; however, data was not yet available to include in this annual report.

In previous years, different condition methodologies were used for the four types of facilities. For instance, a point-rating system was used to determine the condition of schools, whereas a facility condition index was used for post-secondary institutions. To enhance reporting and enable the Ministry to compare condition ratings across the four main facility types, the Ministry has adopted a facility condition index as a basis for determining the condition rating of each facility.

The facility condition index (FCI) is the percentage of the total estimated value of the maintenance and renewal requirement over the next five years divided by the building-replacement cost. If the building has an FCI of less than 15 per cent, it is in good condition; if the FCI is between 15 per cent and 40 per cent, it is in fair condition; and if the FCI is greater than 40 per cent, it is in poor condition. This new FCI has been used for reporting of this year's results, with the exception of government-owned facilities that will move to the new methodology in the next fiscal year.

Utilization:
This measures the percentage of physical infrastructure for which the utilization level is within targeted capacity. The intent is to determine the number of facilities that are well-utilized. Different methodologies are used for each type of facility because the program-delivery needs vary. Major trends that impact this measure include continued changes in student enrolments, changing program-delivery needs, and local impacts such as economic and population growth.

Functional Adequacy:
This measures the percentage of infrastructure that provides acceptable functional service. Infrastructure may be in good physical condition with sufficient available capacity to meet demand, but poor physical layout (i.e. inefficient design and converted-use facilities) may contribute to functional inadequacies. Suitability of location and the ability to meet present and future program requirements are also considered in determining the functional adequacy of a facility.

Although the Ministry reports the overall performance of the total inventory of buildings under its mandate, it is the detailed building information that is used to determine whether a building requires upgrading/rehabilitation or needs to be replaced. In addition, the utilization of individual buildings is a primary indicator of whether new space is required.

The utilization and functional adequacy measures are greatly impacted by program-delivery needs. In concert with program-delivery ministries, including Alberta Health and Wellness, and Alberta Learning, work is underway to develop measures that will meet our needs.

Other Performance Measures
This annual report also includes key performance measures that focus on monitoring operating cost and energy efficiency. Our aim is to continue to keep our cost per square metre below that of industry and, to date, we have been highly successful in this regard.

Improving our clients' level of satisfaction is also important to the Ministry. This year, we undertook a client satisfaction survey, the results of which will help us develop action plans to address potential areas of concern.

Summary
The following section provides details on the results of each measure contained in our 2003-06 Business Plan. Where available, results from prior years are also included along with an explanation of the results.

Measure: Physical Condition of School Facilities (Kindergarten to Grade 12) - supports Business Plan Goals 1 and 2

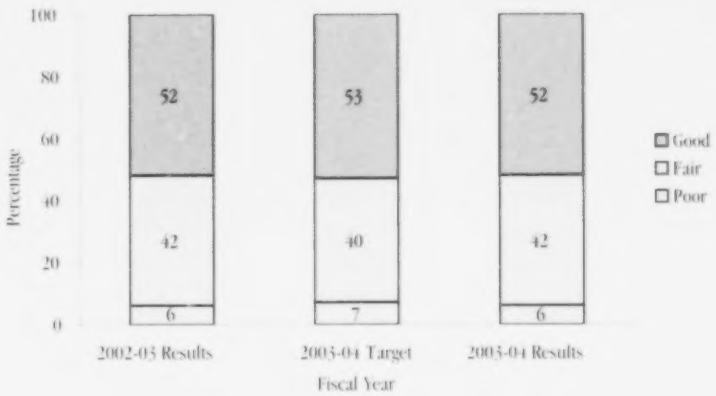
The measure is a percentage of total school facilities that are rated as being in *good*, *fair* or *poor* physical condition, as defined by a non-weighted point-scoring system for the number and types of deficiencies. Those facilities with a point rating between 0 and 399 are considered to be in *good* condition; those with 400 to 799 points are considered in *fair* condition; and those with 800 or more points are considered to be in *poor* condition.

The data was obtained from condition assessments performed in 1999-00, of school facilities owned by school boards and funded by Alberta Infrastructure, and does not include outreach facilities and non-school buildings such as maintenance facilities and administration offices. Ratings have been updated to include the estimated effect of modernizations conducted since the initial condition assessments; however, the extent to which schools have deteriorated since the initial assessments has not been determined. Assessments of all facilities are planned to be refreshed over a five-year cycle to assist with planning for capital and maintenance activities.

The Results
The percentage of schools rated in each category of *good*, *fair* or *poor* remains unchanged from the 2002-03 results.

The percentage of schools rated in *good* condition is 1 per cent below the target. Those rated in *fair* condition are 2 per cent above the target, while schools rated in *poor* condition are 1 per cent fewer than the target.

Physical Condition of School Facilities (K-12)



About the Results

During 2003-04, significant upgrades and modernization projects were completed along with the construction of 21 new or replacement schools. The upgrades, modernizations and new schools offset the overall impact of deterioration in the ratings of other schools. As well, several schools were disposed of because they no longer meet the school boards' needs.

This condition measure assists school boards and the government in their long-term capital planning.

Measure: Utilization of School Facilities (K-12) - supports Business Plan Goals 1 and 2

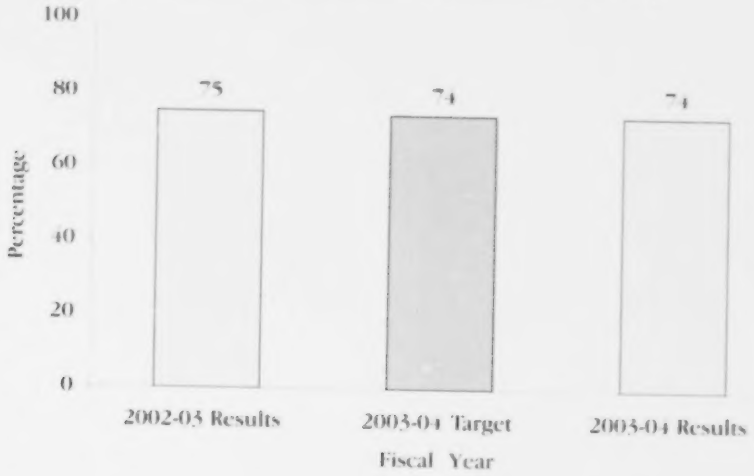
Utilization of school facilities is determined by student enrolments as a percentage of school building capacity. The formula for capacity is based on a set amount of building area allowed per student. The calculation also takes into account capacity appropriate for elementary, junior high and high school students, with adjustments for special needs and kindergarten students. The adjustment recognizes that special needs students require more space than mainstream students and that most kindergarten students do not attend full-time. Another adjustment in the calculation reflects the difference in area for high schools built prior to 1990. The earlier schools were constructed with wider hallways and other non-instructional space compared to recently constructed high schools allowing for more instructional space.

Alberta Learning provides the student enrolment data as of September 30, each year.

The Results

The average provincial utilization rate for all regular school facilities was 74 per cent for the 2003-04 year.

Provincial Utilization of Schools (K-12)



About the results

In 2003-04, the utilization results matched the target of 74 per cent. During the fiscal year, a number of new schools were opened and additions to existing schools also increased the available space. Offsetting the increase in space, school boards disposed of some schools that did not continue to meet their needs.

The utilization measure is one of the key factors in determining the need for future upgrades to existing facilities or the construction of new schools.

Measure: Functional Adequacy of School Facilities (K-12) – supports Business Plan Goals 1 and 2

Functional Adequacy is defined as the percentage of infrastructure that provides acceptable functional service. The methodology for functional adequacy of schools is under development with Alberta Learning. Acceptable functional service will be defined in the context of appropriate use of space within schools.

Measure: Physical Condition of Health Facilities - supports Business Plan Goals 1 and 3

The health facilities physical condition measure is the percentage of health facilities rated in *good*, *fair* or *poor* condition, using a Facility Condition Index (FCI). The FCI ratio is the five-year forecasted cost to correct physical deficiencies relative to the replacement value. Information on the physical deficiencies was obtained through facility evaluations conducted by qualified staff of the health regions or professional consultants. The facility evaluations were then reviewed by both the health regions and Alberta Infrastructure. In cases where facility evaluation data was incomplete, Alberta Infrastructure estimated the total physical-deficiency costs based on an ongoing working knowledge obtained through on-site participation.

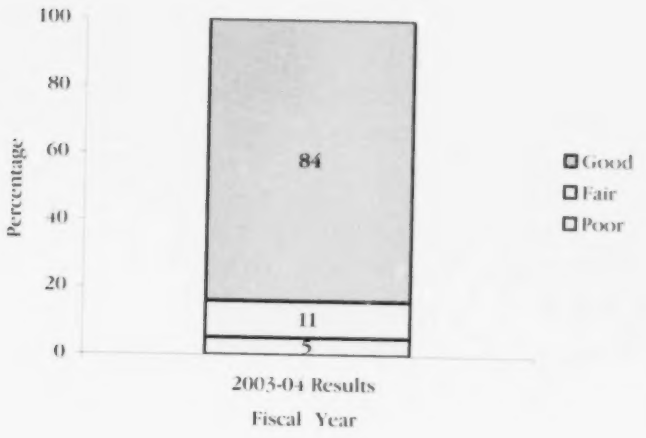
Construction type, building area and other factors determine the calculated replacement values for publicly funded facilities.

A revised scale was applied this period, to determine the physical condition classifications of health facilities based on the Facility Condition Index rating. Facilities with an FCI of less than 15 per cent are considered to be in *good* condition; those rating between 15 and 40 per cent are considered to be in *fair* condition; and buildings with a rating of greater than 40 per cent are considered to be in *poor* condition.

The Results

Results indicate that in 2003-04, 84 per cent of health facilities were considered to be in *good* condition, 11 per cent in *fair* condition and 5 per cent in *poor* condition.

Physical Condition of Health Facilities



About the Results

Conversion to the revised scale will provide a methodology more consistent with the condition measures used for other types of supported infrastructure. The revised rating scale is significantly different from the one applied to health facilities in previous years and therefore, the results are not comparable with previous years. For that reason, prior year results and target have not been included. Results for 2003-04 will establish the baseline for future year comparison.

The physical condition measure provides additional data in support of long-term capital planning of health facilities across the province.

Measure: Utilization of Health Facilities - supports Business Plan Goals 1 and 3

The definition of utilization is the percentage of infrastructure that is within targeted capacity. A specific set of criteria will be applied to determine the percentage of health facilities within targeted capacity. The methodology for utilization of health facilities is under development with Alberta Health and Wellness.

Measure: Functional Adequacy of Health Facilities - supports Business Plan Goals 1 and 3

Functional Adequacy is defined as the percentage of infrastructure that provides acceptable functional service. Adequate functional service will be defined in the context of appropriate use of space within health facilities. The methodology for functional adequacy of health facilities is under development with Alberta Health and Wellness.

Measure: Physical Condition of Post-Secondary Facilities - supports Business Plan Goals 1, 2 and 8

The measure is a percentage of the total facilities rated in *good*, *fair* or *poor* condition using a Facility Condition Index that compares the total cost of deficiencies to the replacement value of the facility. The total cost of deficiencies was calculated by taking the estimated cost of remedial work recommended for the next five years to bring the condition level to acceptable, and adjusting it for factors such as location, contingency and consultant fees.

When the methodology was first developed, it was based on a Facility Condition Index scale defining 0–14 per cent as *good*; 15–50 per cent as *fair;* and over 50 per cent as *poor*. In 2003-04, the scale was revised with the intent to apply the same condition scale to all government owned and supported facilities in the future. The new scale that was applied to report the results for 2003-04 defined 0–15 per cent as *good*; 16–40 per cent as *fair* condition; and over 40 per cent as *poor* condition.

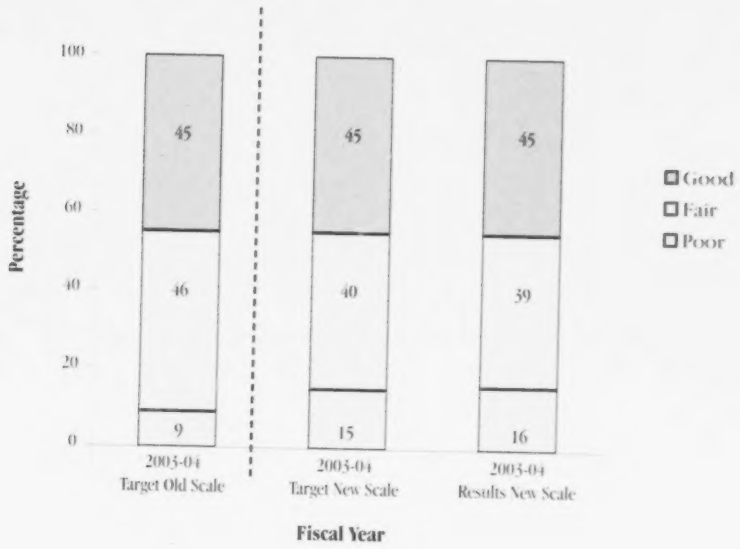
Consultants gathered the original baseline data through a facility-condition study completed in September 2002. Post-secondary institutions update the information, which is validated by the Ministry on an annual basis.

The data assists with establishment of priorities, funding decisions, and the development of long-term facility management and capital plans. The boards of post-secondary institutions and Alberta Infrastructure jointly share the responsibility for condition of post-secondary facilities.

The Results

The results under the new scale show a 1 per cent decrease in the number of facilities in *fair* condition compared to the target. Facilities in *poor* condition increased by 1 per cent.

Physical Condition of Post-Secondary Facilities



About the Results

Targets published in the 2003-06 Business Plan were based on the old scale. For comparability, the graph shown here reflects those same targets converted to the new scale. The 2003-04 results are shown only in the new scale (defined 0–15 per cent as *good*; 16–40 per cent as *fair;* and over 40 per cent as *poor).*

The 1 per cent change to a lower condition level is attributed to refinements in the data collected and a change in the scale used in the methodology. When the original baseline data was collected, the source and magnitude of deficiencies could not be readily determined in some cases. Once more detailed evaluations were available, the data was updated to reflect those findings. As a result, an area approximately 1 per cent greater than anticipated moved from *fair* to *poor* condition. As well, the degree of overall change in the results was impacted by new facilities being added to the inventory.

The new scale will provide a more consistent methodology and allow for better comparisons between the various types of facilities owned or supported by Alberta Infrastructure.

Measure: Utilization of Post-Secondary Institutions - supports Business Plan Goals 1, 2 and 8

The definition of utilization is the percentage of infrastructure that is within targeted capacity. A specific set of criteria will be applied to determine the percentage of post-secondary facilities within targeted capacity. A detailed utilization study is underway to determine the overall capacity of post-secondary facilities across the province. This information will result in an up-to-date system inventory, development of room classification standards, and a methodology for measuring utilization on an ongoing basis. Input from stakeholders and Alberta Learning will be requested as part of the development process.

Measure: Functional Adequacy of Post-Secondary Institutions - supports Business Plan Goals 1, 2 and 8

Functional Adequacy is defined as the percentage of infrastructure that provides acceptable functional service. Acceptable functional service will be defined in the context of appropriate use of space within post-secondary facilities. The methodology for functional adequacy of post-secondary facilities is under development with Alberta Learning.

Measure: Physical Condition of Ministry Owned and Operated Facilities - supports Business Plan Goals 1 and 4

The measure is the percentage of replacement value of ministry owned and operated facilities over 1,000 gross square metres that were rated in *good*, *fair* or *poor* physical condition.

The percentage is calculated by taking the total replacement value of all facilities in *good*, *fair* or *poor* condition and dividing each by the total replacement value for all buildings. The figure of $1,650 per square metre was used to determine the average replacement value in each condition level.

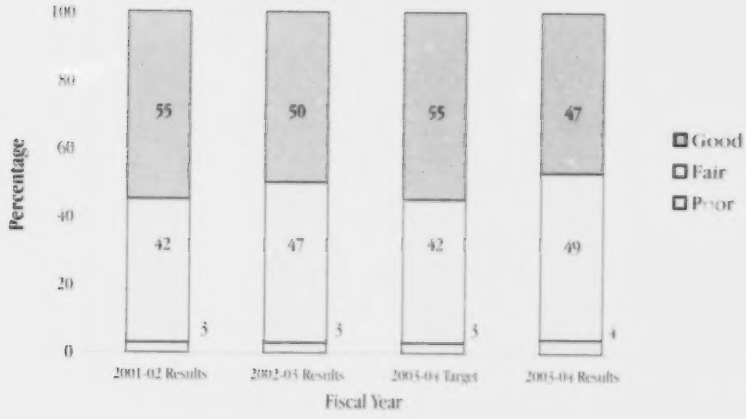
In 2002-03, the methodology was refined to calculate the building ratings based on separate ratings for the five major building systems (structural, envelope, interior, mechanical and electrical). Prior to this, an evaluator selected the rating by matching the overall condition with a set of definitions. The same building evaluation tool was applied to all facilities and a nine-point scale defined the condition levels. Points from one to four were rated as *poor*; points five to six were rated as *fair;* and points seven to nine were rated as *good*.

The data was collected through condition assessments by Alberta Infrastructure staff and consultants over a five-year cycle, with one fifth of the data collected each year. Facilities owned by government but leased or operated by others were excluded from this measure.

The Results

The 47 per cent of facilities rated in *good* condition was 8 per cent below the target. Those in *fair* condition exceeded the target by 7 per cent and facilities in *poor* condition were also 1 per cent above the target.

Physical condition of Ministry Owned and Operated Facilities



About the Results

There was a significant shift of facilities in *good* condition to a lower condition level during this reporting period. The refined methodology did cause some facilities to move from *good* to *fair* condition levels. However, of greater impact was significant deterioration in some facilities, attributed to increasing maintenance needs as these buildings continued to age. Many of the ministry owned and operated facilities were built between 1975 and 1985, and are approaching a condition where major upgrading or refurbishment will be required to maintain them.

The physical condition measure data is used in the capital planning process to determine priorities in the long-term planning of government facilities.

Measure: Utilization of Ministry Owned and Operated Facilities - supports Business Plan Goals 1 and 4

The utilization measure is the percentage of ministry owned and operated facilities over 1,000 gross square metres that were rated within targeted capacity. The ratio of space allocated for required programs compared to the total usable space determines the utilization rate. A utilization rate between 85 per cent and 100 per cent is defined as being within targeted capacity.

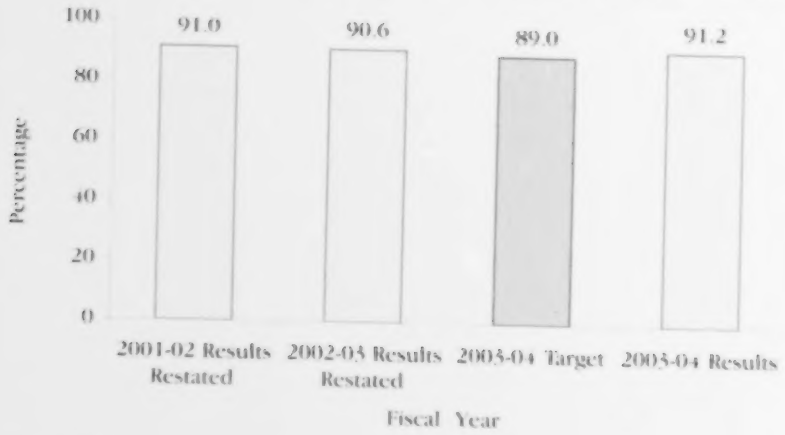
Based on individual building occupancy rates, all eligible facilities over 1,000 gross square metres were rated, and the total square metres were converted to a standard dollar value of $1,650 per square metre as the replacement cost. To calculate the percentage of utilization, the accumulated dollar value of all facilities within targeted capacity was divided by the dollar value of the total inventory.

An internal Alberta Infrastructure database houses the ministry owned and operated facilities data, including space used by quasi-government organizations that provide programs and services to communities and the public. The following facilities were excluded: buildings sold in the reporting year; government-owned facilities on 25 to 40 year leases where the Ministry of Infrastructure was not responsible for the maintenance, including ministry-owned hospital buildings operated by health regions and actively used as a hospital facility.

The Results

The utilization of ministry owned and operated facilities exceeded the target by 2.2 per cent.

Utilization of Ministry Owned and Operated Facilities



About the Results

Several factors resulted in the utilization of ministry owned and operated facilities increasing beyond the target. During 2003-04, one property was demolished and a further six properties were sold, surpassing the anticipated number of sales. The demolition or sale of property removes the building replacement value from the total value for all buildings and increases the percentage of buildings within targeted capacity. In addition, a review of several open-framed structures revealed that they did not fit the definition of a building and these structures were removed from the total number of buildings. Another facility was found to have an area of less than 1,000 square metres. As it did not fit the criteria for the measure, it was also removed from the inventory.

The 2001-02 results have been restated using the revised utilization rate of between 85 per cent and 100 per cent as within targeted capacity. In addition, updated data has been obtained and corrections made to baseline data from 2001-02 and 2002-03. Several sites had previously been reported as sold; however, either the sale of those properties closed in a year other than that previously reported or the property was not sold. The results for 2001-02 and 2002-03 were therefore restated based on this updated information. This will allow comparability with the results of the other years shown.

Measure: Functional Adequacy of Ministry Owned and Operated Facilities - supports Business Plan Goals 1 and 4

The purpose of this measure is to determine and report on how functional government facilities are in terms of meeting the program-delivery needs of the users. Only ministry owned and operated facilities over 1,000 gross square metres are included in determining the overall percentage of facilities that are providing acceptable functional service.

A standard replacement cost of $1,650 per square metre was used to convert the total square metres of each facility to a dollar value. The accumulated dollar value of all facilities rated as acceptable is then divided by the dollar value of the entire inventory to calculate the overall percentage reported in this measure.

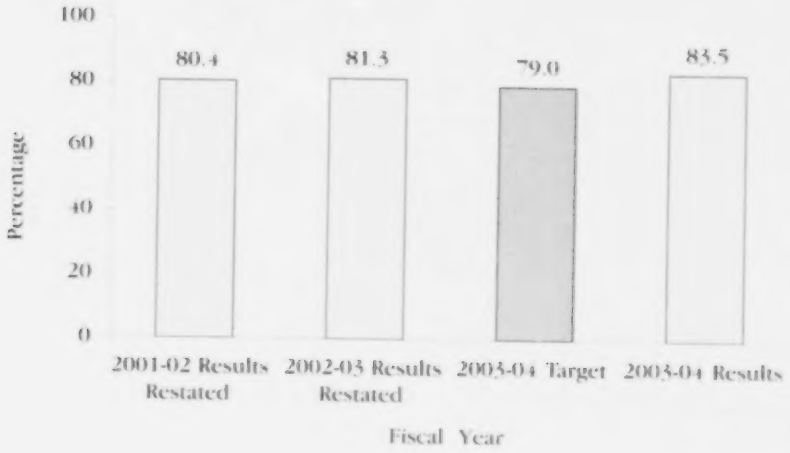
The rating of "acceptable" or "unacceptable" for each facility is based on an assessment by Alberta Infrastructure staff, in consultation with other Ministries across government that are the residents or primary users of a particular building. The assessment considers general criteria, including but not limited to: the site location and access; building and site circulation and services; program location and layout; indoor environment; building services; and the overall building capacity to accommodate and support program delivery. Discretion is used by Alberta Infrastructure staff and staff from other Ministries in determining the final rating, based on their knowledge of the facility and whether or not the facility can meet current and planned program-delivery needs. If a facility meets these needs it is rated as providing "acceptable" functional service to residents and its clients.

Alberta Infrastructure provided the data for the measure from an internal database of all ministry owned and operated facilities over 1,000 gross square metres.

The Results

Based on updated data, 83.5 per cent of ministry owned and operated facilities over 1,000 square metres were rated as providing acceptable functional service, exceeding the 2003-04 business plan target by 4.5 per cent.

Functional Adequacy of Ministry Owned and Operated Facilities



The higher than anticipated results were primarily due to updated data being obtained and corrections made to baseline data from 2001-02 and 2002-03. Changes included the removal of several open-framed structures that did not meet the definition of a building for the purposes of this measure, and the deletion of a facility with an area less than 1,000 square metres. In addition, several sites had previously been reported as sold; however, either the sale of those properties closed in a year other than that previously reported or the property was not sold. The results for 2001-02 and 2002-03 were therefore restated based on this updated information.

In addition to these changes, in 2003-04 six properties previously included in the inventory were sold and another was demolished, decreasing the total inventory.

The functional adequacy measure assists government to plan and provide appropriate use of space for program delivery in government facilities in response to the changing needs of Albertans.

Measure: Number of Seniors' Lodges Upgraded - supports Business Plan Goals 1 and 3

The Seniors' Lodge Upgrading Program measure is the cumulative number of seniors' lodge projects completed since the start of the program in 1994. Overall, the program includes upgrading for a total of 121 lodges.

The lodge upgrades are considered complete when letters of interim acceptance are provided to the contractor for those projects managed by Alberta Infrastructure, or once the final payment is issued to the lodge foundation for those managed by the foundations. Those completed projects are then added to the previous years' total, for a cumulative total shown as the result. The program will end March 31, 2005, when all 121 projects are complete.

The Results

In 2003-04, an accumulated total of 118 seniors' lodge upgrade projects were completed. The following table represents the accumulated number of seniors' lodge upgrading projects completed during the last three fiscal years.

	2001-02	2002-03	2003-04
Results	103	114	118
Target	105	115	119

About the Results

Four out of five lodge projects scheduled for completion in 2003-04 were completed. One lodge upgrading project, deferred in a previous fiscal year to allow for the development of a long-term plan for the area, was approved to proceed and will be completed in 2005.

Given the program is nearly completed, the Ministry continued to work with the lodge foundations to enhance their planning of future maintenance and upgrading of the lodges. Lodges that were upgraded under this program are now all in good condition and the Ministry will continue to work with the lodge foundations to provide planning and technical expertise to ensure taxpayer investment in the lodges is protected.

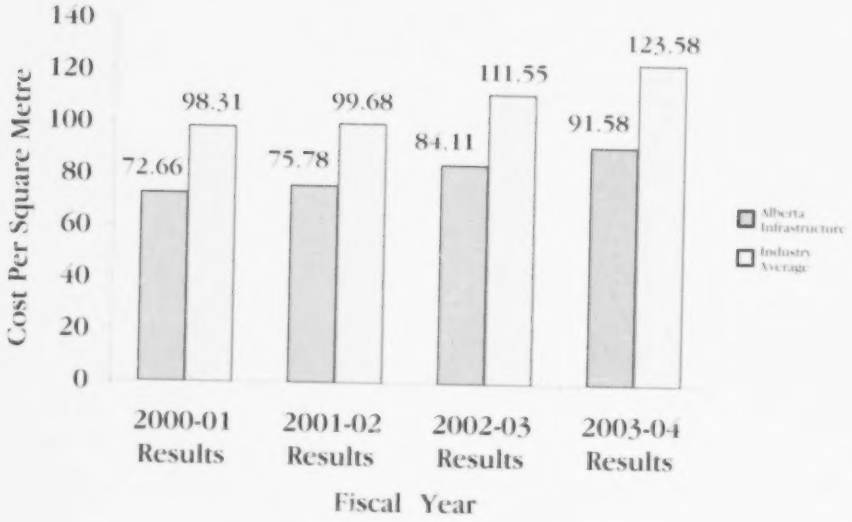
Measure: Operating Cost per Square Metre for Ministry Owned and Operated Facilities - supports Business Plan Goals 1 and 4

This measure compares the average annual operating cost of rentable square metres of office space in ministry owned and operated office buildings to the Alberta industry average. Areas excluded from the rentable space calculation include the basement, interior parking, elevator/mechanical shafts and external walls. Expenses included in the operating-cost calculation are administration, caretaking, grounds, security/safety, routine building maintenance, utilities, insurance and grants in place of taxes. The Ministry's target is to keep the average operating cost per rentable square metre of office space below that of the industry average.

The Results

The results show the average operating costs of ministry owned and operated office buildings was $91.58 during the 2003-04 fiscal year. The industry average comparable is the result from a benchmark methodology survey conducted in 2003 by an independent facility management consulting company. This independent survey used government and private sector buildings in Alberta to generate the industry average.

Operating Cost of Ministry Owned and Operated Buildings



About the Results

The cost per square metre did rise from the previous year's cost; however, this increase was comparable to that experienced by the entire industry. Much of the increase in cost per square metre is attributable to the rising cost of utilities. Increased caretaking costs and building maintenance costs for repairs such as mechanical/electrical systems also contributed to higher overall average costs. Despite annual cost increases over the last four years, the Ministry has kept its own operating costs significantly lower than the industry average over the same time period.

Measure: Energy Consumption Per Square Metre - supports Business Plan Goals 4 and 7

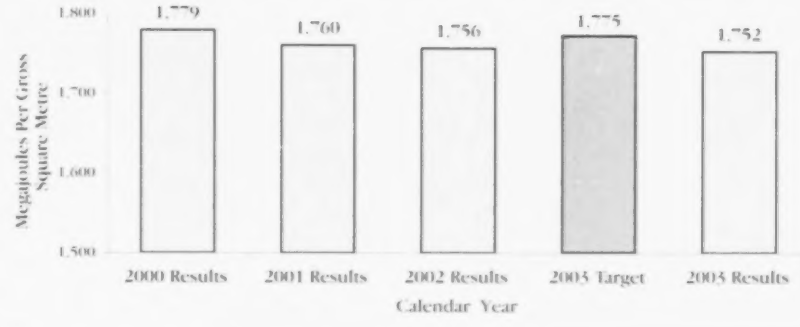
Alberta Infrastructure monitors how efficiently energy (natural gas and electricity) is used in government owned buildings on a yearly basis. Since natural gas and electricity are measured in different units, each measure is converted into a common unit - the megajoule. Energy consumption per square metre is calculated by taking the total megajoules of energy used in government buildings and dividing the total by the total gross square metres of the buildings. This average is further refined to reflect variations in weather for the year. By adjusting for weather and converting to megajoules, the energy consumption per square metre measure can be compared to previous annual results.

Account information is verified by Alberta Infrastructure to ensure the accuracy of the data provided by utility company invoices.

The Results

For the 2003 calendar year, 1,752 megajoules of energy per gross square metre were consumed within government owned and operated buildings.

Energy Consumption Per Gross Square Metre



About the Results

The reduction in consumption level below the target of 1.775 megajoules is attributed to implementing energy performance contracts and other energy saving initiatives undertaken such as: conversion to energy-efficient pumps, motors and furnaces when a replacement was needed; more sensors to control lighting; additional insulation and weather stripping; and reduced heat and ventilation to unoccupied areas.

The level of energy consumption has stabilized and is expected to remain around the same level if the current inventory of government-owned facilities remains relatively unchanged. Fiscal consumption totals are unavailable for the timing of a fiscal year report. Therefore, calendar year totals are shown.

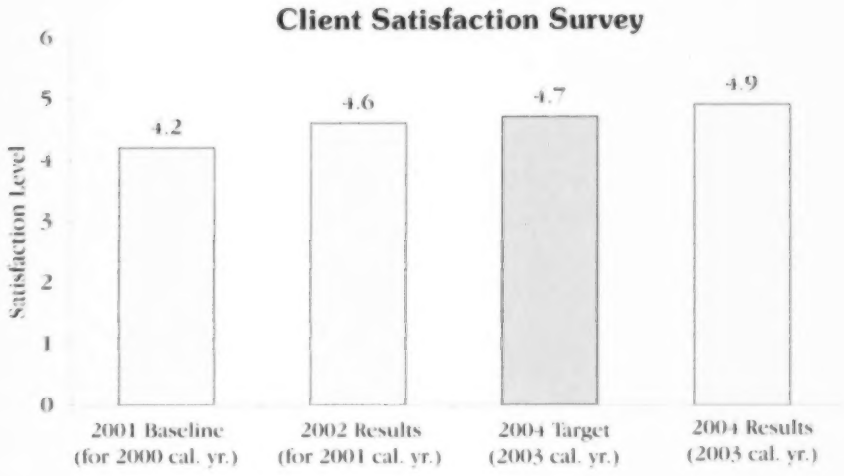
Measure: Client Satisfaction Survey - supports all Business Plan Goals

Alberta Infrastructure has undertaken and reported client satisfaction survey results for two previous surveys. The first survey, undertaken in 2001 for services provided in the 2000 calendar year, established the baseline for this measure. The next survey was undertaken in 2002, gathering feedback on clients' experiences with the Ministry during the 2001 calendar year. Following that survey, a decision was made to conduct the survey on a biennial basis rather than every year. Some factors influencing that decision include cost-effectiveness and practicality, as well as allowing a longer time span to respond to areas identified for improvement.

The current survey results are based on the client satisfaction survey undertaken in the spring of 2004, and represent client satisfaction levels for key service or program areas over the 2003 calendar year. The survey was administered on-line through a link to a website operated by an independent survey consultant, to ensure response confidentiality.

The Results

Alberta Infrastructure clients indicated an average rating for overall quality of service of 4.9 on a six-point scale. A total of 80 surveys were completed out of 134 surveys distributed, for a response rate of 59.7 per cent. The results provide a 95 per cent confidence rating within $\pm$ 7 per cent.



About the Results

The 2004 survey results show an increase in overall client satisfaction levels from the target and the previous survey results. In general, since the first survey was done, the trend has continued to indicate positive increases in client satisfaction.

To further improve our ability to respond to client needs, the current survey was expanded to gather client satisfaction data on additional service areas. The results of the survey will be used by the Ministry to assess satisfaction from a client-specific perspective on identified criteria; reveal changes in client satisfaction over time by comparison to past data; and to assist the Ministry in serving its clientele more efficiently and effectively.

Financial Information

MINISTRY OF INFRASTRUCTURE
FINANCIAL STATEMENTS
Year ended March 31, 2004

Auditor's Report

Statement of Operations

Statement of Financial Position

Statement of Cash Flow

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Schedule 2 Dedicated Revenue Initiatives

Schedule 3 Expenses – Directly Incurred Detailed by Object

Schedule 4 Budget

Schedule 5 Comparison of Expenses – Directly Incurred, Equipment/ Inventory Purchases (EIP) and Capital Investment and Statutory by Element to Authorized Budget

Schedule 6 Salary and Benefits Disclosure

Schedule 7 Related Party Transactions

Schedule 8 Allocated Costs

MINISTRY OF INFRASTRUCTURE

AUDITOR GENERAL
Alberta

AUDITOR'S REPORT

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Infrastructure as at March 31, 2004 and the statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry of Infrastructure as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
May 21, 2004

MINISTRY OF INFRASTRUCTURE
STATEMENT OF OPERATIONS
Year ended March 31, 2004

(in thousands)

	2004 Budget (Schedule 4)	2004 Actual	2003 Actual (Restated - Note 3)
Revenues (Schedules 1 and 2)			
Internal Government Transfers	$ 145,000	$ 145,000	$ 105,000
Fees, Permits and Licenses	2,700	2,829	2,723
Investment Income	4,000	6,439	10,843
Other Revenue			
Refunds of Expenditures	4,150	2,453	2,083
Other Revenue	22,590	35,269	46,341
	178,440	191,990	166,990
Expenses - Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	18,834	15,575	17,112
Infrastructure Operations, Preservation and Expansion	1,179,620	1,412,088	796,969
Cross Government Services	7,111	4,963	5,526
	1,205,565	1,432,626	819,607
Statutory			
Infrastructure Operations, Preservation and Expansion	-	474	-
Valuation Adjustments			
Provision for Doubtful Accounts	-	66	87
Provision (Decrease) for Vacation Pay	-	(99)	363
	-	441	450
	1,205,565	1,433,067	820,057
Gain on Disposal of Tangible Capital Assets	-	(14,506)	(18,125)
Net Operating Results	$(1,027,125)	$(1,226,571)	$(634,942)

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF INFRASTRUCTURE
STATEMENT OF FINANCIAL POSITION
As at March 31, 2004

(in thousands)

	2004	2003
		(Restated - Note 3)
ASSETS		
Cash	$ 818	$ 912
Accounts Receivable (Note 4)	23,432	32,779
Loans and Advances (Note 5)	213	513
Inventories (Note 7)	3,076	3,756
Tangible Capital Assets (Note 8)	1,444,623	1,427,248
	$ 1,472,162	$ 1,465,208
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 2)	$ 149,905	$ 53,854
Holdbacks Payable	1,653	4,207
Unearned Revenues	1,668	2,137
Provision for Future Site Remediation (Notes 3, 11)	28,761	28,136
	181,987	88,334
NET ASSETS		
Net Assets at Beginning of Year	1,376,874	1,381,947
Net Operating Results	(1,226,571)	(634,942)
Net Transfer from General Revenues	1,139,872	629,869
Net Assets at End of Year	1,290,175	1,376,874
	$ 1,472,162	$ 1,465,208

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF INFRASTRUCTURE
STATEMENT OF CASH FLOW
Year ended March 31, 2004

(in thousands)

	2004 Actual	2003 Actual (Restated - Note 3)
Operating Transactions		
Net Operating Results	$ (1,226,571)	$ (634,942)
Non-cash Items included in Net Operating Results:		
Amortization	40,426	40,289
Gain on Disposal of Tangible Capital Assets	(14,506)	(18,125)
Grants in Kind	6,016	1,535
Non-Cash Revenue (Note 2)	(6,508)	(523)
Provision for Future Site Restoration	625	625
Write-down Charged to Voted Appropriation	-	596
Consumption of Inventory	3,188	3,136
Valuation Adjustments	441	450
	(1,196,889)	(606,959)
Decrease (Increase) in Accounts Receivable	9,281	(3,500)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	96,150	(29,823)
Increase (Decrease) in Holdbacks Payable	(2,554)	1,066
Increase (Decrease) in Unearned Revenue	(469)	44
Cash Applied to Operating Transactions	(1,094,481)	(639,172)
Capital Transactions		
Purchase of Tangible Capital Assets (Schedule 5)	(50,222)	(25,110)
Purchase of Equipment and Inventories	(21,442)	(4,783)
Transfers to Other Government Entities	6,832	2,986
Proceeds from Disposal of Tangible Capital Assets	19,047	35,823
	(45,785)	8,916
Investing Transactions		
Decrease (Increase) in Loans and Advances	300	213
Financing Transactions		
Net Transfer (to) from General Revenues	1,139,872	629,869
Decrease in Cash	(94)	(174)
Cash, Beginning of Year	912	1,086
Cash, End of Year	$ 818	$ 912

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF INFRASTRUCTURE
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2004

NOTE 1 AUTHORITY AND PURPOSE

The Ministry of Infrastructure operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Minister is responsible for:

- Working with partners to provide cost-effective, innovative and sustainable building infrastructure to support the delivery of government services.
- Managing government owned and operated facilities.
- Providing realty services for government facilities.
- Managing government air and vehicle fleets.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. Recommendations of the Accounting Standards Board of the Canadian Institute of Chartered Accountants, other authoritative pronouncements, accounting literature, and published financial statements relating to either the public sector or analogous situations in the private sector are used to supplement the recommendations of the Public Sector Accounting Board where it is considered appropriate. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all ministries.

(a) Reporting Entity

The reporting entity is the Ministry of Infrastructure which consists of the Department of Infrastructure for which the Minister of Infrastructure is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer to/from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue. Where the Ministry receives a donated asset, the fair value of the donated asset is recorded as non-cash revenue.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- Amortization of capital assets.
- Pension costs which comprise the cost of employer contributions for current service of employees during the year.
- Valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 8.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals as well as inventories held for resale.

Inventories of aircraft parts and supplies are valued at the lower of cost or replacement cost.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other capital assets is $15,000. All land is capitalized.

Tangible capital assets of the Ministry include work in progress for buildings and computer hardware and software. These costs are capitalized but not amortized until the asset is in service.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum to parties external to the government reporting entity, the fair values of these physical assets, less any nominal proceeds, are recorded as grants in kind.

Liabilities

Liabilities represent all financial claims payable by the Ministry at fiscal year end.

Net Assets/Net Liabilities

Net assets/net liabilities represents the difference between the value of assets held by the Ministry and its liabilities.

Measurement Uncertainty
(in thousands)

Measurement uncertainty exists when there is a significant variance between the amount recognized in the financial statements and another reasonably possible amount.

Energy Rebates

Accrued liabilities for Energy Rebates recorded as $59,496 in these financial statements are subject to measurement uncertainty. This amount was calculated based on management's estimate of rebate claims to be received subsequent to March 31, 2004. As this is the first year of operations under this rebate program, no comparable information was available against which to test the estimate.

Provision for Future Site Remediation

The Provision for Future Site Remediation recorded as $28,761 in these financial statements is subject to measurement uncertainty. This amount was calculated based on engineering estimates of the cost to decommission the Swan Hills Waste Treatment Plant. Prior engineering estimates received have varied materially from the current estimate. The actual costs to restore the site will not be known with certainty until the work is completed in 2018.

NOTE 3 PROGRAM TRANSFERS AND PRIOR PERIOD RESTATEMENT

(in thousands)

Program Transfer

Certain lands relating to the Swan Hills Treatment Plant and the associated environmental obligations programs were transferred to Infrastructure effective March 31, 2004.

As a result of an agreement between ministers of Environment, Infrastructure and Sustainable Resource Development, the land and responsibilities of the Swan Hills Waste Treatment Plant and related warehouse sites were transferred from the control of Alberta Environment and Alberta Sustainable Resource Development to Alberta Infrastructure. Comparatives for 2003 have been restated as if the Ministry had always been assigned its current responsibilities.

The effects of the restatement in 2003 are:

- Net assets at April 1, 2002 were increased due to the transfer of lands and buildings having a net book value of $1,111 from Sustainable Resource Development's Environmental Protection and Enhancement Fund.
- Revenues were increased by $127 and expenses were increased by $752 due to the transfer from Environment and Sustainable Resource Development.
- An accumulated provision for site remediation and cell monitoring at the Swan Hills Treatment Plant of $13,246 at April 1, 2002.
- Expenses for amortization, a provision for site remediation and property operating expense as at March 31, 2003 increased by $752.

The effects of the restatement in 2004 are:

- Revenues increased by $41 at March 31, 2004.
- Expenses for amortization, a provision for site remediation and property operating expense as at March 31, 2004 increased by $678.

A study by an environmental consultant in February 2002 estimated that the cost of remediating and monitoring the Swan Hills Treatment Plant site was $45 million at that time. A second report received in October 2002 revised that estimate to $25.9 million. Management has accepted that estimate as valid. Assuming the work will be performed in 2018 the cost of reclamation will have escalated to $37.5 million. The $28.8 million recorded as at March 31, 2004 will increase by $625 per year until 2018, at which time the liability will equal $37.5 million.

The effects of the restatements are:

- Net assets at April 1, 2002 were decreased by $14,264.
- The Provision for Future Site Remediation was increased by $14,264.

The cumulative effect of these restatements is:

Net assets as previously reported at March 31, 2002	$ 1,395,100
Transfer from the Ministry of Sustainable Resource Development	1,111
Adjustment of Provision for Future Site Remediation	(14,264)
Net assets, as restated at April 1, 2002	$ 1,381,947

NOTE 4 ACCOUNTS RECEIVABLE

(in thousands)

	2004			2003
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value (Restated - Note 3)
Funds and Agencies	$13,871	$ -	$ 13,871	$ 13,871
Swan Hills Treatment Plant	3,838	-	3,838	5,122
Rental and Other	1,615	280	1,335	1,078
Refunds from suppliers	1,490	-	1,490	816
Interest Receivable	783	-	783	2,897
Seniors' Lodges	2,115	-	2,115	8,995
	$23,712	$ 280	$ 23,432	$ 32,779

Accounts receivable are unsecured and non-interest bearing.

NOTE 5 LOANS AND ADVANCES

(in thousands)

	2004			2003
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Travel advances (1)	$ 11	$ -	$ 11	$ 11
Mortgages receivable (2)	202	-	202	502
	$ 213	$ -	$ 213	$ 513

(1) The Ministry has used funds advanced by Alberta Finance to provide travel advances.

(2) Mortgages receivable are repayable over the next year as follows: $202 in 2004. This mortgage is non-interest bearing and transfer of title is contingent upon final payment being received.

NOTE 6 VALUATION OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, accounts payable and accrued liabilities, holdbacks payable, and unearned revenues are estimated to approximate their carrying values. Fair values of loans are not reported due to there being no organized financial market for the instruments, and it is not practicable within constraints of timeliness or cost to estimate the fair value with sufficient reliability.

NOTE 7 INVENTORIES

(in thousands)

Inventories consist of consumables and repair parts for the delivery of programs, waste treatment services, and air transportation services.

	2004	2003
Chemical and parts inventories	$ 1,579	$ 2,377
Aircraft parts and supplies	1,497	1,379
	$ 3,076	$ 3,756

NOTE 8 TANGIBLE CAPITAL ASSETS

(in thousands)

The cost of assets and the related accumulated amortization for the Ministry are summarized below.

	Estimated Useful Life	2004 Cost (2)	2004 Accumulated Amortization (3)	2004 Net Book Value	2003 Net Book Value (Restated - Note 3)
Land	Indefinite	$ 617,851	$ -	$ 617,851	$ 610,716
Buildings	40 years	1,609,276	835,783	773,493	785,988
Equipment	5-10 years	31,973	20,152	11,821	9,905
Computer hardware and software	3-10 years	12,387	5,345	7,042	5,789
Other (1)	3-40 years	92,974	64,005	28,969	12,079
Land improvements	40 years	5,729	282	5,447	2,771
		$2,370,190	$ 925,567	$1,444,623	$1,427,248

(1) Includes trailers, leasehold improvements, aircraft, and spare aircraft engines.
(2) Included in the cost of land, buildings, computer hardware and software, is work in progress amounting to $60,989 (2003 - $23,632).
(3) Accumulated Amortization includes Amortization expense of $40,426 (2003 - $40,289).

NOTE 9 SWAN HILLS TREATMENT PLANT

(in thousands)

On December 31, 2000, the buildings and equipment of the Swan Hills Treatment Plant were acquired by the Ministry for one dollar from a subsidiary of Bovar Inc. The facility is operated by the Ministry through a contracted operator and results of operations are included in these financial statements.

At March 31, 2004 the assets and liabilities of plant operations were as follows:

	2004	2003 (Restated - Note 3)
Assets		
Accounts receivable	$ 4,351	$ 5,122
Chemical and parts inventories	1,579	2,377
Capital Assets	5,439	856
	$ 11,369	$ 8,355
Liabilities		
Accounts payable	$ 4,985	$ 3,538
Unearned revenue	1,107	1,497
	$ 6,092	$ 5,035

Net operating results from plant operations for the years ended March 31 were as follows:

	2004	2003 (Restated - Note 3)
Revenue (1)	$ 14,433	$ 24,528
Plant expenses before inventory transactions (2)	21,891	24,788
Consumption of consumable and repair part inventories (3) (4)	2,823	2,879
Write-down of inventory and bad debt expense	-	406
Amortization (4)	100	55
	24,814	28,128
Net operating result from plant operations	$ (10,381)	$ (3,600)
Purchase of consumable and repair part inventories	$ 2,019	$ 4,420
Capital investment in plant and equipment	$ 4,683	$ 313

(1) The amount reported on Schedule 1 includes revenue from the rental of housing of $195 (2003 - $280).
(2) The amount reported on Schedule 5 includes expenses for environmental and financial assessments of $201 (2003 - $919) and costs of rental housing of $156 (2003 - $167). Plant costs include a provision of $625 for site reclamation and environmental monitoring.
(3) Some inventories were acquired at zero cost. The fair value of inventories consumed were $273 (2003 - $418) in excess of the cost recorded for the year ended March 31, 2004.
(4) Included in Financial Transactions on Schedule 5.

NOTE 10 COMMITMENTS

(in thousands)

As at March 31, 2004, the Ministry had the following commitments:

	2004	2003
Commitments for Capital Investment		
Construction Contracts and Service Agreements	$ 9,196	$ 6,877
Commitments for Operating Expense		
Contracts and Agreements	276,879	305,497
Grants	1,165,156	928,151
Long-term Leases	433,269	409,140
	1,875,304	1,642,788
Total Operating and Capital Investment	$ 1,884,500	$ 1,649,665

The aggregate amounts payable for the unexpired terms of these commitments are as follows:

		Operating Expense			
	Capital Investment	Contracts and Agreements	Grants	Leases	Total
2005	$ 7,883	$ 50,308	$ 539,063	$ 87,993	$ 685,247
2006	1,313	39,276	413,472	76,507	530,568
2007	-	28,436	175,647	66,657	270,740
2008	-	27,476	36,974	59,010	123,460
2009	-	27,126	-	45,730	72,856
Thereafter	-	104,257	-	97,372	201,629
Total	$ 9,196	$ 276,879	$1,165,156	$ 433,269	$1,884,500

In addition to the contractual commitments identified above, Alberta Infrastructure has entered into 104 contracts with natural gas suppliers to provide rebates to consumers under the *Natural Gas Price Protection Act*. The commitments associated with these contracts are not included in the amounts disclosed above as the amounts that may be paid under these contracts cannot be estimated and are contingent upon future market rates for natural gas and upon weather conditions that may exist during the rebate period. The expense incurred under these contracts in 2004 was $192 million.

In the event that the market cost of natural gas exceeds the trigger price during a rebate period, Alberta Infrastructure will reimburse natural gas suppliers for rebates applied to customer accounts at the following rates:

Cost of Gas		Rebate per GJ
From	To	
$0.000	$5.500	No rebate
5.501	7.500	$1.50
7.501	9.000	$2.50
9.001	12.000	$3.25
over $12.000		See following page

Where the Alberta Price is over $12.000/GJ, the rebate for the marketable gas or other substance is the total of the amount calculated above and

(a) in the case of marketable gas, an additional amount per GJ that is equal to the amount by which the Alberta Price exceeds $12.000/GJ, and

(b) in the case of an other substance, an additional amount per litre or kWh, as the case may be, calculated on a heat equivalent basis as determined by the Minister and based on the amount by which the Alberta Price exceeds $12.000/GJ.

NOTE 11 CONTINGENCIES

(in thousands)

At March 31, 2004, the Ministry is a defendant in 54 legal claims (2003 - 51 legal claims). Thirty-six of these claims have specified amounts totaling $156,357 and the remaining 18 have not specified any amount (2003 - 38 claims with a specified amount of $157,714 and 13 with no specified amount). Included in the total legal claims are six claims in which the Ministry has been jointly named with other entities, three of which have specified claims amounting to $33,005. Eleven claims amounting to $17,981 (2003 - 11 claims, $6,924) are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Certain contingent liabilities may exist for site remediation and reclamation which may be the responsibility of the Ministry. The potential costs relate to restoring buildings and other sites to acceptable and contractual standards. Except as disclosed in Note 3, the amount of such potential contingent liabilities has not been determined.

NOTE 12 TRUST FUNDS UNDER ADMINISTRATION

(in thousands)

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

As at March 31, 2004, trust funds under the Ministry's administration were as follows:

	2004	2003
The General Trust Fund	$ 418	$ 386
The Security Deposit Trust Fund	172	155
	$ 590	$ 541

The General Trust Fund holds interest bearing securities posted by contractors.

The Security Deposit Trust Fund holds deposits from tenants for rented property.

NOTE 13 DEFINED BENEFIT PLANS

(in thousands)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense of these pension plans is equivalent to the annual contributions of $3,510 for the year ended March 31, 2004 (2003 - $2,708).

At December 31, 2003, the Management Employees Pension Plan reported a deficiency of $290,014 (2002 - $301,968) and the Public Service Pension Plan reported an actuarial deficiency of $596,213 (2002 - $175,528). At December 31, 2003, the Supplementary Retirement Plan for Public Service Managers had an actuarial surplus of $9,312 (2002 - actuarial surplus $6,472).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2004, the Bargaining Unit Plan reported an actuarial deficiency of $9,766 (2003 - $14,434) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of $1,298 (2003 - actuarial deficiency of $3,053). The expense for these two plans is limited to employer's annual contribution for the year.

NOTE 14 SUBSEQUENT EVENT

As a result of Treasury Board meetings held on March 30, 2004 and April 1, 2004, a decision was made to finance the Calgary Courts Centre project with Crown funds instead of third party financing. The results of this decision are reflected in these financial statements.

NOTE 15 COMPARATIVE FIGURES

Certain 2003 figures have been reclassified to conform to the 2004 presentation.

NOTE 16 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

MINISTRY OF INFRASTRUCTURE
Revenues
Year ended March 31, 2004

Schedule 1

(in thousands)

	2004 Budget	2004 Actual	2003 Actual (Restated - Note 3)
Internal Government Transfers			
Transfer from Lottery Fund	$ 145,000	$ 145,000	$ 105,000
Fees, Permits and Licenses			
Civil Service Parking	2,700	2,829	2,723
Investment Income (1)	4,000	6,439	10,843
Other Revenue			
Refunds of Expenditure			
Previous Years' Refunds	4,000	2,453	2,083
Surplus Sales	150	-	-
	4,150	2,453	2,083
Miscellaneous			
Swan Hills Treatment Plant	13,000	14,628	24,681
Rentals (Land and Buildings)	7,000	11,223	10,391
Vehicle Operations	1,082	489	709
Aircraft Services	708	894	887
Upgrading of Seniors' Lodges	300	1,349	8,600
Other	500	6,686	1,073
	22,590	35,269	46,341
	$ 178,440	$ 191,990	$ 166,990

(1) Certain grants are paid into trust accounts and the Ministry earns investment income on the funds.

MINISTRY OF INFRASTRUCTURE
Dedicated Revenue Initiatives
Year ended March 31, 2004

Schedule 2

(in thousands)

	2004		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	(Shortfall)/ Excess [1]
Seniors' Lodges	$ 1,300	$ 1,349	$ 49
Leases	1,000	1,000	-
Property Operations	9,100	9,100	-
Land Services	1,000	1,123	123
	$ 12,400	$ 12,572	$ 172

[1] Shortfall is deducted from current year's authorized budget, as disclosed in Schedules 4 and 5 to the financial statements.

Seniors' Lodges revenues are reimbursements for the cost of upgrades to lodges which were completed by the Ministry at the request of the lodge foundations.

Revenues associated with Leases, Property Operations, and Land Services are rent charges to agencies of government and other entities which occupy space in government operated buildings or who utilize land owned by government.

The above dedicated revenues are included in the Statement of Operations.

MINISTRY OF INFRASTRUCTURE

Expenses - Directly Incurred Detailed by Object — Schedule 3

Year ended March 31, 2004

(in thousands)

	2004 Budget	2004 Actual	2003 Actual (Restated - Note 3)
Voted			
Salaries, Wages and Employee Benefits	$ 54,037	$ 52 ,670	$ 49,644
Supplies and Services	278,689	284,900	288,549
Supplies and Services from Support Service Arrangements with Related Parties (a)	7,854	6,745	7,822
Grants	809,929	1,044,309	429,517
Financial Transactions and Other	56	388	649
Amortization of Tangible Capital Assets	55,000	43,614	43,426
Total Voted Expenses	$1,205,565	$ 1,432,626	$ 819,607
Statutory			
Supplies and Services	$ -	$ 474	$ -
Purchase of Tangible Capital Assets	-	6,034	-
Valuation adjustments			
Provision (Decrease) for Vacation Pay	-	(99)	363
Provision for Doubtful Accounts	-	66	87
	$ -	$ 6,475	$ 450

(a) The Ministry receives administrative services from the Alberta Corporate Service Centre, which is part of the Ministry of Government Services.

MINISTRY OF INFRASTRUCTURE
Budget
Year ended March 31, 2004

Schedule 4

(in thousands)

	2003-2004 Estimates	Adjustments (a)	2003-2004 Budget	Authorized Supplementary (b)	2003-2004 Authorized Budget
Revenues					
Inter-nal Gov-rnment Transfers	$ 145,000	$ -	$ 145,000	$ -	$ 145,000
Fees, Permits and Licenses	2,700	-	2,700	-	2,700
Investment income	4,000	-	4,000	-	4,000
Other Revenue	26,740	5,100	31,840	-	31,840
	178,440	5,100	183,540	-	183,540
Expenses - Directly Incurred					
Voted Expenses					
Ministry Support Services	18,834	(733)	18,101	-	18,101
Infrastructure Operations, Preservation and Expansion	1,179,620	(11,772)	1,167,848	245,600	1,413,448
Cross Government Services	7,111	-	7,111	-	7,111
	1,205,565	(12,505)	1,193,060	245,600	1,438,660
Net Operating Results	$ (1,027,125)	$ 17,605	$(1,009,520)	$ (245,600)	$(1,255,120)
Equipment/ Inventory Purchases	$ 3,850	$ 18,230	$ 22,080	$ -	$ 22,080
Capital Investment	$ 42,416	$ -	$ 42,416	$ 8,040	$ 50,456

(a) Adjustments include transfers between Operating Expense and Equipment and Inventory Purchases and Transfers of Administration. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act*.

(b) Supplementary Estimates were approved on December 4, 2003 and March 11, 2004.

MINISTRY OF INFRASTRUCTURE
Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases (EIP) and Capital Investment and Statutory by Element to Authorized Budget
Year ended March 31, 2004

Schedule 5

(in thousands)

Voted OP/EIP, Capital Investments and Statutory	2003-2004 Estimates	Adjustments (a)	2003-2004 Budget	Authorized Supplementary (b)	2003-2004 Authorized Budget	2003-2004 Actual (c)	Unexpended (Over Expended)
Ministry Support Services							
1.0.1 Minister's Office	$ 390	$ -	$ 390	$ -	$ 390	$ 368	$ 22
1.0.2 Deputy Minister's Office	410	-	410	-	410	407	3
1.0.3 Strategic Services	3,097	-	3,097	-	3,097	2,480	617
1.0.4 Information Management							
- Operating Expense	8,243	(733)	7,510		7,510	5,565	1,945
- Equipment and Inventory Purchases	-	733	733	-	733	1,283	(550)
- Capital Investment	1,427	-	1,427	-	1,427	1,012	415
1.0.5 Shared Support Services	6,694	-	6,694	-	6,694	6,755	(61)
	20,261	**-**	**20,261**	**-**	**20,261**	**17,870**	**2,391**

MINISTRY OF INFRASTRUCTURE
Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases (EIP) and Capital Investment and Statutory by Element to Authorized Budget
Year ended March 31, 2004

Schedule 5 cont'd

(in thousands)

Voted OP/EIP, Capital Investments and Statutory	2003-2004 Estimates	Adjustments (a)	2003-2004 Budget	Authorized Supplementary (b)	2003-2004 Authorized Budget	2003-2004 Actual (c)	Unexpended (Over Expended)
2.1 Operations							
2.1.1 School Facilities Operations	331,543	-	331,543	30,000	361,543	361,560	(17)
2.1.2 Property Operations	123,816	4,100	127,916	-	127,916	130,153	(2,237)
2.1.3 Leases	99,946	-	99,946	-	99,946	100,422	(476)
2.1.4 Swan Hills Treatment Plant							
- Operating Expense	26,000	(2,375)	23,625	-	23,625	22,248	1,377
- Equipment and Inventory Purchases	2,000	3,000	5,000	-	5,000	6,702	(1,702)
2.2 Infrastructure Preservation							
2.2.1 Health Care Facilities							
- Operating Expense	97,714	-	97,714	-	97,714	55,407	42,307
- Operating Expense funded by Lotteries	25,000	-	25,000	-	25,000	25,000	-
2.2.2 School Facilities							
- Operating Expense	28,059	-	28,059	-	28,059	19,139	8,920
- Operating Expense funded by Lotteries	20,000	-	20,000	-	20,000	20,000	-
2.2.3 Post-Secondary Facilities							
- Operating Expense	9,800	-	9,800	-	9,800	9,807	(7)
- Operating Expense funded by Lotteries	15,000	-	15,000	-	15,000	15,000	-

MINISTRY OF INFRASTRUCTURE

Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases (EIP) and Capital Investment and Statutory by Element to Authorized Budget

Year ended March 31, 2004

Schedule 5 cont'd

(in thousands)

Voted OP/EIP, Capital Investments and Statutory	2003-2004 Estimates	Adjustments (a)	2003-2004 Budget	Authorized Supplementary (b)	2003-2004 Authorized Budget	2003-2004 Actual (c)	Unexpended (Over Expended)
2.2.4 Seniors' Lodges	3,130	-	3,130	-	3,130	2,639	491
2.2.5 Capital and Accommodation Projects							
- Operating Expense	21,881	(12,125)	9,756	-	9,756	17,359	(7,603)
- Equipment and Inventory Purchases	-	13,822	13,822	-	13,822	11,287	2,535
- Capital Investment	-	-	-	-	-	2,811	(2,811)
2.2.6 Government Owned Facilities Maintenance							
- Operating Expense	9,675	-	9,675	-	9,675	7,723	1,952
- Capital Investment	-	-	-	-	-	1,740	(1,740)
2.2.7 Site Environmental Services	1,650	-	1,650	-	1,650	1,388	262
2.3 Infrastructure Expansion							
2.3.1 Health Care Facilities							
- Operating Expense	72,733	-	72,733	-	72,733	112,523	(39,790)
- Operating Expense funded by Lotteries	25,000	-	25,000	-	25,000	25,000	-
2.3.2 School Facilities							
- Operating Expense	7,580	-	7,580	-	7,580	10,489	(2,909)
- Operating Expense funded by Lotteries	60,000	-	60,000	-	60,000	60,000	-

MINISTRY OF INFRASTRUCTURE
Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases (EIP) and Capital Investment and Statutory by Element to Authorized Budget
Year ended March 31, 2004

Schedule 5 cont'd

(in thousands)

Voted OP/EIP, Capital Investments and Statutory	2003-2004 Estimates	Adjustments (a)	2003-2004 Budget	Authorized Supplementary (b)	2003-2004 Authorized Budget	2003-2004 Actual (c)	Unexpended (Over Expended)
2.3.3 Post-Secondary Facilities	100,000	-	100,000	-	100,000	100,000	-
2.3.4 Seniors' Lodges	2,170	1,000	3,170	-	3,170	3,569	(399)
2.3.5 Capital and Accommodation Projects							
- Operating Expense	2,400	(2,372)	28	-	28	507	(479)
- Equipment and Inventory Purchases	-	675	675	-	675	788	(113)
- Capital Investment	12,000	-	12,000	8,040	20,040	18,294	1,746
2.3.6 Land Services							
- Operating Expense	2,100	-	2,100	-	2,100	12,613	(10,513)
- Capital Investment	19,080	-	19,080	-	19,080	16,450	2,630
2.3.7 Centennial Projects							
- Operating Expense	500	-	500	-	500	537	(37)
- Capital Investment	9,909	-	9,909	-	9,909	9,897	12
2.3.8 Centennial Projects - Legacy Grants	12,500	-	12,500	-	12,500	12,500	-
2.4 Program Services							
2.4.1 Program Services	24,669	-	24,669	-	24,669	23,475	1,194

MINISTRY OF INFRASTRUCTURE

Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases (EIP) and Capital Investment and Statutory by Element to Authorized Budget

Year ended March 31, 2004

Schedule 5 cont'd

(in thousands)

Voted O/EIP, Capital Investments and Statutory	2003-2004 Estimates	Adjustments (a)	2003-2004 Budget	Authorized Supplementary (b)	2003-2004 Authorized Budget	2003-2004 Actual (c)	Unexpended (Over Expended)
2.5 Financial Transactions							
2.5.1 Amortization of Capital Assets	49,754	-	49,754	-	49,754	39,798	9,956
2.5.2 Nominal Sum Dispositions							
- Operating Expense	5,000	-	5,000	-	5,000	6,016	(1,016)
- Statutory Operating Expense	-	-	-	-	-	474	(474)
- Statutory Capital Investment	-	-	-	-	-	6,034	(6,034)
2.5.3 Consumption of Inventories	2,000	-	2,000	-	2,000	2,823	(823)
2.6 Energy Rebates							
2.6.1 Energy Rebates	-	-	-	215,600	215,600	214,393	1,207
	1,222,609	**5,725**	**1,228,334**	**253,640**	**1,481,974**	**1,486,565**	**(4,591)**
Cross Government Services							
3.1 Cross Government Services							
3.1.1 Vehicle Services							
- Operating Expense	422	-	422	-	422	771	(349)
- Equipment and Inventory Purchases	1,000	-	1,000	-	1,000	899	101

MINISTRY OF INFRASTRUCTURE
Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases (EIP) and Capital Investment and Statutory by Element to Authorized Budget
Year ended March 31, 2004

Schedule 5 cont'd

(in thousands)

Voted OP/EIP, Capital Investments and Statutory	2003-2004 Estimates	Adjustments (a)	2003-2004 Budget	Authorized Supplementary (b)	2003-2004 Authorized Budget	2003-2004 Actual (c)	Unexpended (Over Expended)
3.1.2 Air Transportation Services							
- Operating Expense	3,443	-	3,443	-	3,443	3,544	(101)
- Equipment and Inventory Purchases	850	-	850	-	850	483	367
3.2 Financial Transactions							
3.2.1 Consumption of Inventories	500	-	500	-	500	365	135
3.2.2 Amortization	2,746	-	2,746	-	2,746	283	2,463
	8,961	**-**	**8,961**	**-**	**8,961**	**6,345**	**2,616**
Ministry Support Services	$ 20,261	$ -	$ 20,261	$ -	$ 20,261	$ 17,870	$ 2,391
Infrastructure Operations, Preservation and Expansion	1,222,609	5,725	1,228,334	253,640	1,481,974	1,486,565	(4,591)
Cross Government Services	8,961	-	8,961	-	8,961	6,345	2,616
	$ 1,251,831	**$ 5,725**	**$1,257,556**	**$ 253,640**	**$ 1,511,196**	**$ 1,510,780**	**$ 416**
Operating Expense	$ 1,060,565	$ (12,505)	$1,048,060	$ 245,600	$ 1,293,660	$ 1,287,626	$ 6,034
Operating Expense funded by Lotteries	145,000	-	145,000	-	145,000	145,000	-
Equipment/Inventory Purchases	3,850	18,230	22,080	-	22,080	21,442	638
	1,209,415	5,725	1,215,140	245,600	1,460,740	1,454,068	6,672

MINISTRY OF INFRASTRUCTURE
Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases (EIP) and Capital Investment and Statutory by Element to Authorized Budget
Year ended March 31, 2004

Schedule 5 cont'd

(in thousands)

Voted OP/EIP, Capital Investments and Statutory	2003-2004 Estimates	Adjustments (a)	2003-2004 Budget	Authorized Supplementary (b)	2003-2004 Authorized Budget	2003-2004 Actual (c)	Unexpended (Over Expended)
Capital Investment	42,416	-	42,416	8,040	50,456	50,204	252
	42,416	-	42,416	8,040	50,456	50,204	252
	$ 1,251,831	$ 5,725	$1,257,556	$ 253,640	$ 1,511,196	$ 1,504,272	$ 6,924
Statutory Expenses:							
Infrastructure Operations, Preservation and Expansion	-	-	-	-	-	6,508	(6,508)
Valuation Adjustments							
Provision for Doubtful Accounts	-	-	-	-	-	66	(66)
Provision for Vacation Pay	-	-	-	-	-	(99)	99
	$ -	$ -	$ -	$ -	$ -	$ 6,475	$ (6,475)

(a) Adjustments include transfers between Operating Expense and Equipment and Inventory Purchases and Transfers of Administration. Treasury Board approval is pursuant to section 24(2) of the *Financial Administration Act*.

(b) Supplementary Estimates were approved on December 4, 2003 and March 11, 2004.

(c) Includes achievement bonus amounting to $926.

MINISTRY OF INFRASTRUCTURE
Salary and Benefits Disclosure
Year ended March 31, 2004

Schedule 6

	2004				2003
	Salary (1)	Other Cash Benefits (2)	Other Non-cash Benefits (3)	Total	Total
Deputy Minister (4)	$152,808	$ 29,836	$ 36,024	$218,668	$226,049
Current Executives					
Assistant Deputy Minister, Properties	128,364	15,000	29,024	172,388	176,185
Assistant Deputy Minister, Capital Projects	123,492	16,500	27,639	167,631	166,565
Executive Director, Technical Services	110,028	16,000	24,114	150,142	142,412
Executive Director, Information Management Branch (5)	26,577	36,317	7,309	70,203	143,966
Executive Director, Human Resources (6)	109,673	16,112	23,991	149,776	143,409
Executive Director, Finance (7)	99,384	14,575	21,424	135,383	136,495

Prepared in accordance with Treasury Board Directive 03/2004.

(1) Salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long-term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

(5) The incumbent's services were shared with the Department of Transportation until July 31, 2003, which contributed its own share of the cost of salary and benefits. Full salary and benefits are disclosed in this schedule. The incumbent retired on July 31, 2003 and the position was abolished. Other cash benefits includes a $36,317 payment in lieu of vacation.

(6) The incumbent's services are shared with the Department of Transportation, which contributed its own share of the costs of salary and benefits. Full salary and benefits are disclosed in this schedule.

(7) The position of Executive Director, Finance was shared until November 2002 with the Department of Transportation, which contributed its own share of the costs of salary and benefits. Full salary and benefits are disclosed in this schedule.

MINISTRY OF INFRASTRUCTURE
Related Party Transactions
Year ended March 31, 2004

Schedule 7

(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2004	**2003**
		(Restated - Note 3)
Revenues		
Lottery Fund	$ 145,000	$ 105,600
Parking/Rental	2,824	2,915
Air Transportation	783	831
Swan Hills Treatment Plant	647	-
Executive Vehicles/Central Vehicle Operations	396	864
	$ 149,650	$ 109,610
Expenses - Directly Incurred		
Other services	$ 7,374	$ 7,645
	$ 7,374	$ 7,645
Capital Assets Transferred to Others	$ 6,832	$ 3,251
Accounts Receivable from Environmental Protection & Enhancement Fund	$ 13,871	$ 13,871
Accounts Payable to Alberta Science and Research Authority (2003 - Learning)	$ 10	$ 690

MINISTRY OF INFRASTRUCTURE
Related Party Transactions
Year ended March 31, 2004

Schedule 7 cont'd

(in thousands)

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements, but are disclosed in Schedule 8.

	Other Entities	
	2004	**2003**
Revenues		
Executive Vehicles	$ 69	$ 60
Accommodation	229,975	227,685
Air Transportation	1,970	1,991
	$ 232,014	$ 229,736
Expenses - Incurred by Others		
Accommodation	$ 996	$ 864
Legal	587	241
	$ 1,583	$ 1,105

MINISTRY OF INFRASTRUCTURE
Allocated Costs
Year ended March 31, 2004

Schedule 8

(in thousands)	2004						2003
		Expenses - Incurred by Others		Valuation Adjustments			*(Restated - Note 3)*
Program	Expenses (1)	Accommodation Costs	Legal Services	Vacation Pay	Doubtful Accounts	Expenses	Expenses
Ministry Support Services	$ 15,575	$ 11	$ 6	$ (8)	$ -	$ 15,584	$ 17,176
Infrastructure Operations, Preservation and Expansion	1,412,088	982	579	(87)	66	1,413,628	798,438
Cross Government Services	4,963	3	2	(4)	-	4,964	5,548
	$1,432,626	$ 996	$ 587	$ (99)	$ 66	$1,434,176	$821,162

(1) Expenses - Directly Incurred as per Statement of Operations, excluding Statutory Expenses and Valuation Adjustments.

Entities Included In The Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Agriculture Financial Services Corporation[1]	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Dairy Control Board[2]	Agriculture, Food and Rural Development
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Government Telephones Commission	Finance
Alberta Heritage Foundation for Medical Research Endowment Fund	Revenue
Alberta Heritage Savings Trust Fund	Revenue
Alberta Heritage Scholarship Fund	Revenue
Alberta Heritage Science and Engineering Research Endowment Fund	Revenue
Alberta Historical Resources Foundation	Community Development
Alberta Insurance Council	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Revenue
Alberta School Foundation Fund	Learning
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Revenue
Alberta Social Housing Corporation	Seniors
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	

[1] The Crop Reinsurance Fund of Alberta was merged into the Agriculture Financial Services Corporation, effective April 1, 2003.
[2] Dissolved August 1, 2003.

Entities Included In The Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Credit Union Deposit Guarantee Corporation	Finance
Crop Reinsurance Fund of Alberta[1]	Agriculture, Food and Rural Development
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Learning	Learning
Department of Revenue	Revenue
Department of Seniors	Seniors
Department of Solicitor General	Solicitor General
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Aboriginal Affairs and Northern Development[2]	Aboriginal Affairs and Northern Development
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[2]	Economic Development
Ministry of Energy	Energy
Ministry of Environment[2]	Environment
Ministry of Finance	Finance
Ministry of Executive Council[2]	Executive Council
Ministry of Gaming	Gaming
Ministry of Government Services[2]	Government Services
Ministry of Health and Wellness	Health and Wellness

[1] The Crop Reinsurance Fund of Alberta was merged into the Agriculture Financial Services Corporation, effective April 1, 2003.
[2] Ministry includes only the departments so separate department financial statements are not necessary.

Entities Included In The Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Ministry of Human Resources and Employment[1]	Human Resources and Employment
Ministry of Infrastructure[1]	Infrastructure
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[1]	International and Intergovernmental Relations
Ministry of Justice[1]	Justice
Ministry of Learning	Learning
Ministry of Municipal Affairs[1]	Municipal Affairs
Ministry of Revenue	Revenue
Ministry of Seniors	Seniors
Ministry of Solicitor General	Solicitor General
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Transportation[1]	Transportation
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards:	Community Development
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
Provincial Board	
South Region Community Board	
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General
Wild Rose Foundation	Community Development

[1] Ministry includes only the departments so separate department financial statements are not necessary.

Entities Not Included In The Consolidated Government Reporting Entity

Fund or Agency	*Ministry Annual Report*
Alberta Cancer Board	Health and Wellness
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Mental Health Board	Health and Wellness
Alberta Teachers' Retirement Fund Board	Learning
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Public Post Secondary Institutions	Learning
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Regional Health Authorities	Health and Wellness
School Boards	Learning
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Provincial Judges and Masters in Chambers	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment

For additional copies of this report:

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